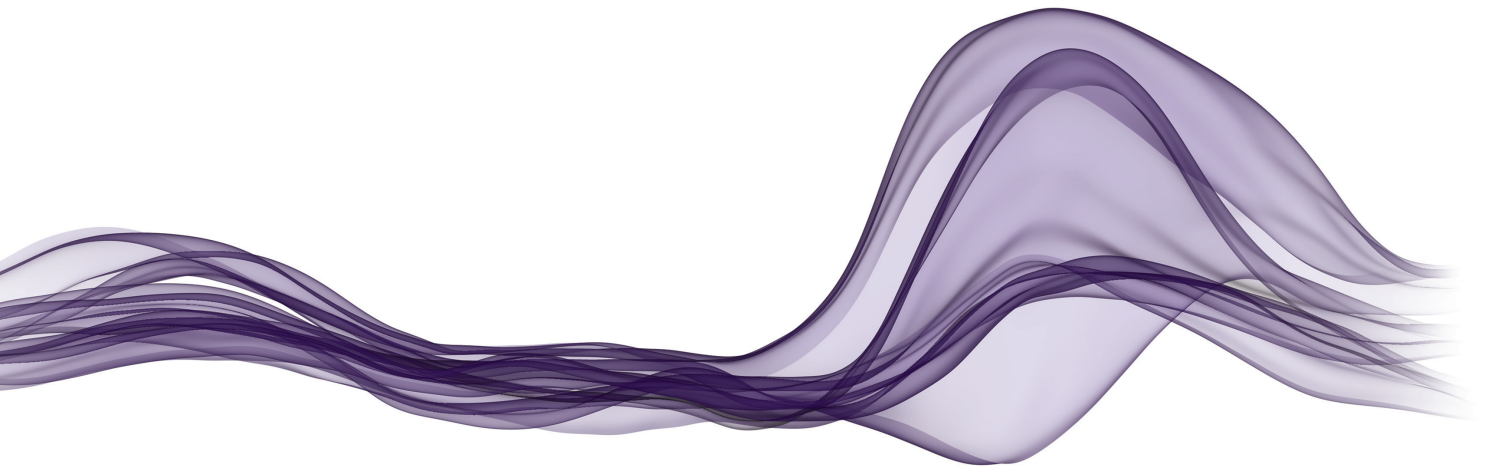


Royal London Equity Funds ICVC

Annual Report

For the year ended 31 August 2023



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* 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.

Company Information

Company

Royal London Equity Funds ICVC

Registered in England with Company Number IC000807

Registered office:

80 Fenchurch Street, London EC3M 4BY

Director

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

Place of business and Registered office:

80 Fenchurch Street, London EC3M 4BY

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.L. Hunt

R. Kumar

S. Spiller

J.M. Brett (Non-executive Director)

H.I. Georgeson

J.M. JACKSON (Non-executive Director)

Investment Adviser

Royal London Asset Management Limited

Place of business and Registered office:

80 Fenchurch Street, London EC3M 4BY

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

7 More London Riverside, London SE1 2RT

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 2022 to 31 August 2023.

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 2022 to 31 August 2023 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 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

S. Spiller (Director)

R. Kumar (Director)

7 December 2023

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 2023 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 year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Royal London Equity Funds ICVC is an Open Ended Investment Company ('OEIC') with 19 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 (the "Annual Report"), which comprise: the Balance Sheets as at 31 August 2023; the Statements of Total Return and the Statements of Change in Net Assets Attributable to Shareholders for the year then ended; the Distribution Tables; the Accounting Policies (included in the Summary of Significant Accounting Policies); 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.

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

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 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.

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 any 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 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 year for which the financial statements are prepared is consistent with the financial statements.

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

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 Statement 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. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the 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.

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

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
London
7 December 2023

Summary of Significant Accounting Policies

For the year ended 31 August 2023

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Conduct Authority's Collective 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.

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 2023, 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 2023, 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 2023.

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. 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.

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 311. 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.

Summary of Significant Accounting Policies (continued)

For the year ended 31 August 2023

1. Accounting policies – continued

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 year end 31 August 2023 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 211 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 adjustment

A dilution adjustment can be applied to all sub-funds.

The ACD reserves the right to make a daily dilution adjustment, using swinging single pricing, for the sole purpose of reducing dilution in the sub-funds. For further details as to why and how the adjustment is calculated 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.

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 and UK Dividend Growth.

The following sub-funds make distributions on a half yearly basis: Japan Equity Tilt, UK Core Equity Tilt, 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, UK Broad Equity Tilt and Sustainable Growth.

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.

Summary of Significant Accounting Policies (continued)

For the year ended 31 August 2023

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 317 to 324.

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.

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 year 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).

Summary of Significant Accounting Policies (continued)

For the year ended 31 August 2023

Other

Potential implications of an epidemic and/or a pandemic

Epidemics and pandemics such as Covid-19, can seriously disrupt the global economy and markets. Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to a Fund's investments or the ACD's operations and the operations of the ACD's and the Company's service providers.

The Ukraine situation

The Ukraine conflict and its consequences, including economic sanctions on Russia, are having a significant impact on global financial markets and commodity pricing. Royal London Asset Management Limited is closely monitoring the associated geo-political risks in relation to inflation, volatile markets and security pricing. Please refer to the Manager's Investment Reports for commentary on the impact and outlook. The sub-funds have no direct exposure to Russian companies and Royal London Asset Management Limited is complying with all restrictions and sanctions issued by the relevant authorities.

Royal London UK Mid Cap Growth Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Mid Cap Growth Fund, Class M Accumulation	0.82	3.65	-2.74
Royal London UK Mid Cap Growth Fund, Class N Accumulation	0.95	3.85	–
Royal London UK Mid Cap Growth Fund, Class R Accumulation	1.52	5.86	–
Royal London UK Mid Cap Growth Fund, Class Z Accumulation	0.94	4.10	-2.03
FTSE® 250 (ex Investment Trust) Total Return GBP	3.09	15.32	-0.61
IA UK All Companies TR	3.79	22.84	8.41

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Performance overview

UK small and medium sized companies underperformed their larger FTSE® 100 counterparts over the year, as investors focussed on rising interest rates and the risks of a recession. In this environment the Fund underperformed its benchmark index, the FTSE® 250 ex-Investment Trusts TR.

While the Fund's underweight position in the real estate sector was a positive in terms of attribution (the sector sold off as interest rates and bond yields increased), the biggest detractor to performance came from the underweight allocation to the consumer discretionary sector. Consumer spending has so far proved more resilient this year than many commentators had feared, and this has been evidenced in the trading performances of retailers, pubs, restaurants and the travel industry in particular.

Market overview

Over the past 18 months, equity market sentiment has been dominated by rising inflation and interest rate expectations. Stock specific newsflow has been secondary if not tertiary in investors minds, as inflation spiked following the Covid supply chain disruption, the Russian invasion of Ukraine – and remained stubbornly high for the last 12 months. The US Federal Reserve, European Central Bank and Bank of England have all increased interest rates in reaction. The UK's base rate ended the period at 5.25%, having started the at 1.75%, while 10-year gilt yields increased from 2.7% to 4.5%. The UK Consumer Price Index (CPI) rose by 6.7% in the 12 months to August 2023 and while this is the lowest reading since February 2022, inflation during 2023 has been considerably greater than expected at the start of the year.

This widespread increase in the cost of capital has put sustained pressure on equity market valuations, and in particular longer duration assets such 'growth' equities where a high proportion of cash flows are expected to be in the future and thereby sensitive to discount rates. In addition, companies with weak balance sheets have seen earnings forecasts downgraded as the cost of debt has increased. The de-rating in valuations of 'growth' stocks has been compounded by UK equity market outflows.

In 2022 UK stocks suffered record annual outflows for the seventh year in a row and 2023 has continued this trend with over £7bn of outflows so far (Morningstar, July 2023). Whether or not this is a function of Brexit, modest economic growth, turbulent domestic politics or the structure of the UK stock market, it is evident that asset allocators have lost faith in the ability of UK stocks to deliver returns on a par with US and international counterparts. At the time of writing the S&P 500 has returned around 15% in 2023 to date, vs 3% for the FTSE® 350. It is interesting to note that according to Berenberg (September, 2023), the 'super narrow' characteristics of the US market means that fewer S&P 500 stocks have outperformed in the US in 2023 to date than in any year since 1990!

These factors have all contributed to a big dislocation between the intrinsic value of many UK stocks, and their current share prices. UK equities currently trade on a 30-year record discount to global equities on a relative 12-month forward P/E basis (Berenberg, September 2023). As a result, stocks in this portfolio that were purchased using our 'Growth at a Reasonable Price' (GARP) strategy could be considered 'unreasonably' good value today because in many cases these companies have not suffered a diminution in their earnings power. Weak share price performances are not necessarily reflecting a permanent loss of capital, as balance sheets on the whole remain strong – portfolio companies are only 0.1x geared (ND/EBITDA) on average compared to 1.2x for the FTSE® 250 ex-IT index (Factset, August 2023). It is our strongly held belief therefore that the recovery potential remains substantial when sentiment eventually turns.

Manager's Investment Report (continued)

Market overview – continued

In the meantime there remains a vast dichotomy between public and private market valuations, as evidenced by a raft of takeover activity this year, despite the higher cost of capital. Depressed public markets valuations have proven highly attractive to private equity and industry acquirors, particularly in the healthcare and technology sectors. The Fund has been the beneficiary of a private equity bid for Dechra (EQT). While this bid was at a reasonable premium (c. 44%) to the undisturbed share price, the shares have previously traded at higher prices, reflecting the diminution of public market valuations following UK equity outflows and a challenging and uncertain economic backdrop.

There are positive aspects to the era of 'free money' coming to an end. A higher cost of capital brings a renewed focus on efficient allocation of capital by governments, corporates and consumers which, in the fullness of time, should lead to higher returns on new investments. Profitable and cash generative businesses with strong balance sheets and depressed earnings multiples, are in the enviable position of having an array of tools at their disposal to protect and enhance shareholder returns. Many companies have made use of surplus capital to deploy on share buybacks at the same time as accelerating investment into own organic growth, capacity expansion and product development. This has the effect of permanently shrinking the equity base and growing Earnings Per Share (EPS) and consequently shareholder returns. It is also a way of taking advantage of downward pressure on equity valuations from UK equity market outflows, and with equity earnings yields around 10% currently, it represents an attractive return on capital. Fund holdings such as Spectris, the designer and manufacturer of scientific and analytical instruments, Chemring, the countermeasures and sensors specialist and Spirent Communications, a provider of network testing and assurance, are just a few examples of companies who have ongoing buybacks. In many cases, portfolio company management teams have also been significant purchasers of their own stock, as in the case of Hill & Smith, the galvanising specialist, Coats, the leading global thread manufacturer and Marshalls, a UK market leader in landscape and building products.

Unit holders may be aware that the Fund has been overweight in the technology sector for some time, a result of our process seeking out companies which benefit from secular growth thematics or economic tailwinds, that support end markets over long periods of time. Furthermore, technology companies often have the capacity to scale quickly on low levels of capital. Indeed, for many businesses, technology budgets have moved from being discretionary to strategic in nature and this has driven accelerated spend on software asset management, cyber security and cloud infrastructure. Bytes Technology, a leading value-added reseller and a long-term holding in the Fund, has been a significant beneficiary of this trend.

Artificial intelligence (AI) is another secular driver to add to this list, with corporate and investor attention sharply focussed on the threats and opportunities provided by the technology following the launch of OpenAI's updated intelligent assistant, Chat GPT-4, and Google's competing AI tool, Bard. Nvidia, the US computer chip design group, has already significantly increased earnings guidance twice this year, citing AI related demand. It is also clearly a threat to some business models, with US provider of online study guides Chegg, withdrawing profits guidance in May blaming use of AI tools by customers. While there are concerns that AI could disrupt certain business models, most of the companies that we speak with suggest that AI is already a part of their technology infrastructure and is likely to improve efficiency and productivity, rather than replace business models. AI has been a significant driver of US stock market leadership.

Portfolio commentary

Hill & Smith was the top contributor in the period. Tighter monetary policy by central banks has reduced global Gross Domestic Product (GDP) growth expectations, and in an effort to support economic growth, many governments are now turning to fiscal stimulus. Hill & Smith is a significant beneficiary of the Bipartisan Infrastructure Law (signed late 2021), the CHIPS & Science Act, and Inflation Reduction Act (both 2022) – these initiatives have partially overlapping priorities but together introduce \$2 trillion in new federal spending over the next ten years. Hill & Smith has specific capabilities in galvanising, composites and engineered solutions across a range of infrastructure end markets. These skills, in combination with the disposal of their French galvanising business, have driven earnings growth this year and led to several upgrades of analyst expectations.

Other than Dechra (subject to a bid as mentioned earlier), Genuit was another significant contributor. The sustainable building solutions manufacturer, supported by building efficiency regulations, has weathered the UK construction weakness better than peers, bucking the trend by increasing profits guidance over the summer. Following a change of management the company is benefiting from self-help, including positive actions on pricing and a rationalisation of their property footprint.

Spirent Communications and Watches of Switzerland were two of the largest detractors. Spirent suffered from a pause in capital expenditure by the big US telecommunications operators and equipment vendors last year, but has since guided to an improving order book and pipeline of business which is likely to support the second weighting in profits. The company has very differentiated technology in live 5G network and equipment testing (Visionworks) which are exposed to attractive long-term growth opportunities, while the significant net cash balance sheet position provides ample flexibility to maintain product development through any downturn.

Manager's Investment Report (continued)

Portfolio commentary – continued

Watches of Switzerland delivered resilient operational performance in the year, growing earnings 20% driven by sustained demand for high end watches. However softer demand for jewellery (the category only represents 10% of sales) took some gloss off results and then over the summer, Rolex announced that they had acquired rival retailer Bucherer. Rolex is an important supplier and partner to Watches of Switzerland, and there is now a perceived risk to product allocation over the long term. However this has been presented as a Swiss solution to a succession issue at Bucherer; Rolex has no intention of moving into direct retail in the immediate future, and Bucherer will continue to be managed independently and operate under its own brand and own management.

The Fund initiated new positions in ITV, the vertically integrated TV producer, broadcaster and streamer, IMI, the speciality engineering group. ITVX, ITV's new streaming platform, has been well received following an overhaul in user experience and an expansion in its content offering. Furthermore, the company's innovative Planet V platform, which allows agencies and advertisers to buy targeted video advertising, has been gaining traction. ITV also operates a successful studios business which has the potential to leverage the demand it has seen for content across third party platforms and geographies. The company has a solid balance sheet and is attractively valued for the growth on offer.

After a number of years of footprint rationalisation to improve operational execution and create a more flexible cost base, IMI is now in a position to benefit from healthy end markets and drive sustained margin improvements. The business has world-leading positions in niche markets such as bespoke industrial valves for nuclear or LNG plants and precision pneumatic valves for industrial tools. These markets are growing thanks to long-term investment into energy infrastructure, industrial automation and energy efficient heating and cooling systems. The shares trade at a discount to peers despite having top quartile margins and returns on capital, and accelerating order books.

Investment outlook

There is considerable uncertainty about the outlook for the rest of 2023 and clearly there is a risk that elevated interest rates could tip economies into a recession. However, corporate balance sheets remain very robust (meaning that the balance of power is in the hands of us as equity holders rather than the debt holders), cost inflation is now receding (freight rates, raw materials and energy prices are materially lower than in 2022) and much of the destocking and supply disruption following Covid appears to be moving into the rear-view mirror.

UK equity market valuations are currently at extreme levels. Indeed, the FTSE® 250 is trading at the cheapest levels in 30 years relative to the FTSE® 100 on a median 12-month forward dividend yield basis (Berenberg, September 2023). What has been interesting over the recent earnings season is how share prices have reacted to corporate newsflow. In several cases share prices have jumped significantly higher on in-line statements, suggesting investor sentiment has become overly negative. There is a reasonable argument to suggest that we are looking at a tempting combination of companies trading on trough valuations and trough earnings forecasts! It is of course difficult to predict the catalyst for improved UK stock market performance, but a normalisation in macroeconomic conditions and an end to UK equity outflows might just trigger it.

Our focus has always been on the long term and we continue to seek out companies with the valuable fundamental attributes (scalability, innovation, strong management teams, barriers to entry and unique assets) that will allow them to 'control the controllables' in any economic environment. We continue to believe that it is these fundamental attributes that drive stock prices over the long term, and macroeconomic data or technical headwinds such as asset allocation flow can lead to short-term mispricing. As such, we are excited by the opportunities currently on offer for UK mid cap company investors.

Henry Lowson
Fund Manager
Royal London Asset Management Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class M Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	424.64	570.30	414.81
Return before operating charges*	6.53	(141.89)	159.19
Operating charges	(3.32)	(3.77)	(3.70)
Return after operating charges*	3.21	(145.66)	155.49
Distributions on accumulation shares	(9.39)	(7.74)	(5.07)
Retained distributions on accumulation shares	9.39	7.74	5.07
Closing net asset value per share	427.85	424.64	570.30
* after direct transaction costs of:	0.29	0.66	0.51
Performance			
Return after charges	0.76%	(25.54)%	37.48%
Other information			
Closing net asset value (£'000)	68,353	80,291	80,384
Closing number of shares	15,976,234	18,908,065	14,095,225
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.07%	0.14%	0.11%
Prices[^]			
Highest share price	465.50	575.50	571.10
Lowest share price	374.00	413.30	394.80

Class N Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	136.10	182.63	132.77
Return before operating charges*	2.09	(45.56)	50.92
Operating charges	(0.97)	(0.97)	(1.06)
Return after operating charges*	1.12	(46.53)	49.86
Distributions on accumulation shares	(3.11)	(2.60)	(1.72)
Retained distributions on accumulation shares	3.11	2.60	1.72
Closing net asset value per share	137.22	136.10	182.63
* after direct transaction costs of:	0.09	0.19	0.16
Performance			
Return after charges	0.82%	(25.48)%	37.55%
Other information			
Closing net asset value (£'000)	7,760	9,338	6
Closing number of shares	5,654,930	6,861,016	3,294
Operating charges	0.70%	0.70%	0.70%
Direct transaction costs	0.07%	0.13%	0.11%
Prices[^]			
Highest share price	149.20	184.30	182.90
Lowest share price	119.90	132.40	126.40

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	111.96	149.30	107.83
Return before operating charges*	1.72	(37.26)	41.55
Operating charges	(0.07)	(0.08)	(0.08)
Return after operating charges*	1.65	(37.34)	41.47
Distributions on accumulation shares	(3.30)	(2.95)	(2.21)
Retained distributions on accumulation shares	3.30	2.95	2.21
Closing net asset value per share	113.61	111.96	149.30
* after direct transaction costs of:	0.08	0.17	0.13
Performance			
Return after charges	1.47%	(25.01)%	38.46%
Other information			
Closing net asset value (£'000)	275,152	302,730	422,997
Closing number of shares	242,188,633	270,384,942	283,318,751
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.07%	0.13%	0.11%
Prices[^]			
Highest share price	123.10	150.70	149.50
Lowest share price	98.69	108.80	102.70

Class Z Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	148.21	198.74	144.34
Return before operating charges*	2.28	(49.44)	55.43
Operating charges	(0.93)	(1.09)	(1.03)
Return after operating charges*	1.35	(50.53)	54.40
Distributions on accumulation shares	(3.51)	(2.95)	(2.02)
Retained distributions on accumulation shares	3.51	2.95	2.02
Closing net asset value per share	149.56	148.21	198.74
* after direct transaction costs of:	0.10	0.23	0.18
Performance			
Return after charges	0.91%	(25.43)%	37.69%
Other information			
Closing net asset value (£'000)	6,744	7,474	22,810
Closing number of shares	4,509,264	5,043,100	11,477,114
Operating charges	0.62%	0.62%	0.62%
Direct transaction costs	0.07%	0.13%	0.11%
Prices[^]			
Highest share price	162.60	200.50	199.00
Lowest share price	130.60	144.20	137.40

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 98.10% (31/08/22 – 95.62%)			
Basic Materials – 1.53% (31/08/22 – 1.47%)			
Chemicals – 1.53%			
365,421	Victrex	5,485	1.53
Total Basic Materials		5,485	1.53
Industrials – 35.69% (31/08/22 – 28.69%)			
Aerospace & Defence – 2.10%			
2,606,668	Chemring	7,533	2.10
Construction & Materials – 3.65%			
2,526,025	Genuit Group	8,045	2.25
1,827,104	Marshalls	5,025	1.40
Electronic & Electrical Equipment – 7.81%			
345,000	Oxford Instruments	7,624	2.13
3,605,485	Rotork	10,845	3.03
285,000	Spectris	9,476	2.65
General Industrials – 2.85%			
13,305,737	Coats Group	10,192	2.85
Industrial Engineering – 8.54%			
1,461,683	Bodycote	9,640	2.69
750,000	Hill & Smith	13,425	3.75
499,409	IMI	7,501	2.10
Support Services – 10.74%			
243,614	Diploma	7,630	2.13
2,757,709	Essentra	4,070	1.14
974,455	Grafton	8,405	2.35
2,850,000	IntegraFin	6,840	1.91
970,000	Rentokil Initial	5,826	1.63
745,458	RS Group	5,664	1.58
Total Industrials		127,741	35.69
Consumer Goods – 8.32% (31/08/22 – 9.30%)			
Food Producers – 4.39%			
306,540	Cranswick	10,330	2.89
799,053	Hilton Food	5,378	1.50
Household Goods – 1.71%			
287,464	Bellway	6,140	1.71
Leisure Goods – 2.22%			
73,500	Games Workshop	7,945	2.22
Total Consumer Goods		29,793	8.32
Healthcare – 2.50% (31/08/22 – 4.25%)			
Pharmaceuticals & Biotechnology – 2.50%			
385,000	Genus	8,963	2.50
Total Healthcare		8,963	2.50
Consumer Services – 11.26% (31/08/22 – 13.18%)			
General Retailers – 7.53%			
847,776	B&M European Value Retail	4,895	1.37
847,776	Inchcape	6,469	1.80
1,081,645	Watches of Switzerland Group	6,295	1.76
635,000	WH Smith	9,309	2.60

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Media – 3.09%			
3,750,000	Ascential	7,523	2.10
5,000,000	ITV	3,539	0.99
Travel & Leisure – 0.64%			
5,359,505	Restaurant Group	2,278	0.64
Total Consumer Services		40,308	11.26
Telecommunications – 4.08% (31/08/22 – 3.51%)			
Fixed Line Telecommunications – 2.88%			
650,000	Telecom Plus	10,322	2.88
Mobile Telecommunications – 1.20%			
2,857,100	GlobalData	4,286	1.20
Total Telecommunications		14,608	4.08
Financials – 22.68% (31/08/22 – 20.31%)			
Financial Services – 11.86%			
3,171,219	AJ Bell	9,197	2.57
584,673	Intermediate Capital Group	7,908	2.21
1,194,762	JTC	8,322	2.32
214,380	Liontrust Asset Management	1,413	0.39
1,500,000	OSB Group	5,118	1.43
1,200,000	Paragon Banking Group	6,318	1.77
238,742	Rathbones Group	4,202	1.17
Non-Life Insurance – 4.21%			
1,486,044	Beazley	8,106	2.26
1,220,000	Lancashire	6,972	1.95
Real Estate Investment Services – 2.64%			
3,995,267	Grainger	9,437	2.64
Real Estate Investment Trusts – 3.97%			
828,287	Safestore	7,161	2.00
750,000	Unite Group	7,050	1.97
Total Financials		81,204	22.68
Technology – 12.05% (31/08/22 – 14.91%)			
Software & Computer Services – 8.92%			
1,286,631	Auction Technology	9,109	2.55
1,450,000	Bytes Technology Group	7,032	1.96
1,250,000	FDM	7,187	2.01
1,656,574	GB	3,764	1.05
2,875,117	Moonpig Group	4,847	1.35
Technology Hardware & Equipment – 3.12%			
428,760	Gamma Communications	4,596	1.28
4,200,000	Spirent Communications	6,586	1.84
Total Technology		43,121	12.04
Total value of investments		351,223	98.10
Net other assets		6,786	1.90
Total net assets		358,009	100.00

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 2023

Significant Purchases

	Cost £'000
JTC	7,861
IMI	7,855
Safestore	5,023
GlobalData	4,607
ITV	3,713
FDM	2,867
Dechra Pharmaceuticals	2,557
Genuit Group	2,194
Ascential	1,893
Marshalls	1,883
Subtotal	40,453
Total cost of purchases, including the above, for the year	53,323

Significant Sales

	Proceeds £'000
Euromoney Institutional Investor	12,144
Dechra Pharmaceuticals	11,167
Aveva Group	5,304
Rentokil Initial	4,324
Bytes Technology Group	4,282
Oxford Instruments	4,024
Paragon Banking Group	3,516
Dr. Martens	3,297
Games Workshop	3,276
JD Sports Fashion	2,673
Subtotal	54,007
Total proceeds from sales, including the above, for the year	79,548

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital losses	2	(4,027)	(137,739)
Revenue	3	11,560	10,485
Expenses	4	(892)	(854)
Net revenue before taxation		10,668	9,631
Taxation	5	(55)	(89)
Net revenue after taxation		10,613	9,542
Total return/(deficit) before distributions		6,586	(128,197)
Distributions	6	(10,613)	(9,542)
Change in net assets attributable to shareholders from investment activities		(4,027)	(137,739)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		351,223	382,319
Current assets:			
Debtors	7	1,073	3,803
Cash and bank balances	8	6,052	15,431
Total assets		358,348	401,553
Liabilities			
Creditors:			
Other creditors	9	339	1,720
Total liabilities		339	1,720
Net assets attributable to shareholders		358,009	399,833

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	399,833	526,197
Amounts receivable on creation of shares	9,031	52,577
Amounts payable on cancellation of shares	(56,716)	(51,028)
	(47,685)	1,549
Dilution adjustment charged	68	57
Change in net assets attributable to shareholders from investment activities	(4,027)	(137,739)
Retained distribution on accumulation shares	9,820	9,769
Closing net assets attributable to shareholders	358,009	399,833

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital losses

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital losses during the year comprise:		
Non-derivative securities	(4,027)	(137,739)
Net capital losses	(4,027)	(137,739)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	9,756	9,099
Overseas dividends	938	1,177
Property investment income (PID)	466	166
Bank interest	400	43
Total revenue	11,560	10,485

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	892	854
Total expenses	892	854

* Audit fee £14,008 (31/08/22: £13,340) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	54	89
Reclaim tax written off	1	–
Current tax charge for the year	55	89

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	10,668	9,631
Corporation tax at 20% (31/08/22: 20%)	2,134	1,926

Effects of:

Revenue not subject to taxation	(2,139)	(2,055)
Current year management expenses not utilised	5	129
Irrecoverable overseas tax	54	89
Overseas tax	1	–
Current tax charge for the year	55	89

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £5,399,000 (31/08/22: £5,394,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Final	9,820	9,769
	9,820	9,769
Add: Amounts deducted on cancellation of shares	822	428
Deduct: Amounts received on the creation of shares	(29)	(655)
Net distributions for the year	10,613	9,542

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	10,613	9,542
Net distributions for the year	10,613	9,542

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

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	–	1,123
Sales awaiting settlement	–	1,665
Accrued revenue	1,073	1,015
Total debtors	1,073	3,803

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	6,052	15,431
Total cash and bank balances	6,052	15,431

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	270	32
Purchases awaiting settlement	–	1,609
Accrued expenses	69	79
Total other creditors	339	1,720

10. Reconciliation of number of shares

	Class M Accumulation	Class N Accumulation
Opening shares at 01/09/22	18,908,065	6,861,016
Shares issued	1,579,868	117,531
Shares cancelled	(4,516,886)	(1,320,200)
Shares converted	5,187	(3,417)
Closing shares at 31/08/23	15,976,234	5,654,930

	Class R Accumulation	Class Z Accumulation
Opening shares at 01/09/22	270,384,942	5,043,100
Shares issued	1,675,955	288,316
Shares cancelled	(29,872,264)	(810,436)
Shares converted	–	(11,716)
Closing shares at 31/08/23	242,188,633	4,509,264

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 (31/08/22: 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 £339,000 (31/08/22 due from: £1,013,000).

At the year end, 31 August 2023, 90.26% (31/08/22: 89.77%) 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 2023

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 £35,122,000 (31/08/22: £38,232,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £35,122,000 (31/08/22: £38,232,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £6,052,000 (31/08/22: £15,431,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.69% of the current Net Asset Value and 3.86% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

14. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	53,092	31	0.06	196	0.37	4	0.01	53,323
Total	53,092	31		196		4		53,323

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	77,392	36	0.05	–	–	–	–	77,356
Corporate actions	2,192	–	–	–	–	–	–	2,192
Total	79,584	36		–		–		79,548

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.05%
Other expenses	0.00%

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
Total	108,607	49		468		22		109,146

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
Total	101,769	56		–		–		101,713

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%

At the balance sheet date the portfolio dealing spread was 0.11% (31/08/22: 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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	351,223	–	–	351,223
Total	351,223	–	–	351,223

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	382,319	–	–	382,319
Total	382,319	–	–	382,319

16. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £357,385,732. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was (0.45)%.

There have been no significant redemptions during this period.

Distribution Table

For the year ended 31 August 2023

Distribution in pence per share

Final

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class M Accumulation				
Group 1	9.3898	–	9.3898	7.7392
Group 2	6.9834	2.4064	9.3898	7.7392
Class N Accumulation				
Group 1	3.1076	–	3.1076	2.6018
Group 2	1.3359	1.7717	3.1076	2.6018
Class R Accumulation				
Group 1	3.2974	–	3.2974	2.9508
Group 2	2.9870	0.3104	3.2974	2.9508
Class Z Accumulation				
Group 1	3.5069	–	3.5069	2.9522
Group 2	3.0101	0.4968	3.5069	2.9522

Royal London UK Opportunities Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Opportunities Fund, Class M Accumulation	7.05	20.34	1.45
Royal London UK Opportunities Fund, Class R Accumulation	7.88	22.99	–
Royal London UK Opportunities Fund, Class S Accumulation	7.75	22.82	–
FTSE® All-Share Total Return Index	5.23	34.95	18.39
IA UK All Companies TR	3.79	22.84	8.41

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Performance overview

Over the past year the Fund outperformed its IA UK All Companies peer group and its benchmark, the FTSE® All-Share, despite the Fund's overweight position in small and mid cap stocks (which underperformed their larger peers).

The largest contributor to this outperformance came from sector allocation. In particular, the Fund's overweight position in the industrials sector and underweight in the real estate sector were significant positives (the latter sold off as interest rates and bond yields increased). The main detractor to performance from an allocation perspective came from the underweight position in the healthcare sector. Consumer spending has so far proved more resilient this year than many commentators had feared, and this has been evidenced in the trading performances of retailers, pubs, restaurants and the travel industry in particular.

Market overview

Over the past 18 months, equity market sentiment has been dominated by rising inflation and interest rate expectations. Stock specific newsflow has been secondary if not tertiary in investors minds, as inflation spiked following the Covid supply chain disruption and the Russian invasion of Ukraine – and remained stubbornly high for the last 12 months. The US Federal Reserve, European Central Bank and Bank of England have all increased interest rates in reaction. The UK's base rate ended the period at 5.25%, having started the at 1.75%, while 10-year gilt yields increased from 2.7% to 4.5%. The UK Consumer Price Index (CPI) rose by 6.7% in the 12 months to August 2023 and while this is the lowest reading since February 2022, inflation during 2023 has been considerably greater than expected at the start of the year.

This widespread increase in the cost of capital has put sustained pressure on equity market valuations, and in particular longer duration assets such 'growth' equities where a high proportion of cash flows are expected to be in the future and thereby sensitive to discount rates. In addition, companies with weak balance sheets have seen earnings forecasts downgraded as the cost of debt has increased. The de-rating in valuations of 'growth' stocks has been compounded by UK equity market outflows.

In 2022 UK stocks suffered record annual outflows for the seventh year in a row and 2023 has continued this trend with over £7bn of outflows so far (Morningstar, July 2023). Whether or not this is a function of Brexit, modest economic growth, turbulent domestic politics or the structure of the UK stock market, it is evident that asset allocators have lost faith in the ability of UK stocks to deliver returns on a par with US and international counterparts. At the time of writing the S&P 500 has returned around 15% in 2023 to date, vs 3% for the FTSE® 350. It is interesting to note that according to Berenberg (September, 2023), the 'super narrow' characteristics of the US market means that fewer S&P 500 stocks have outperformed in the US in 2023 to date than in any year since 1990!

These factors have all contributed to a big dislocation between the intrinsic value of many UK stocks, and their current share prices. UK equities currently trade on a 30-year record discount to global equities on a relative 12-month forward P/E basis (Berenberg, September 2023). As a result, stocks in this portfolio that were purchased using our 'Growth at a Reasonable Price' (GARP) strategy could be considered 'unreasonably' good value today because in many cases these companies have not suffered a diminution in their earnings power. Weak share price performances are not necessarily reflecting a permanent loss of capital, as balance sheets on the whole remain strong – portfolio companies are only 1.3x geared (ND/EBITDA) on average compared to 1.6x for the FTSE® All Share index (Factset, August 2023). It is our strongly held belief therefore that the recovery potential remains substantial when sentiment eventually turns.

Manager's Investment Report (continued)

Market overview – continued

In the meantime there remains a vast dichotomy between public and private market valuations, as evidenced by a raft of takeover activity this year, despite the higher cost of capital. Depressed public markets valuations have proven highly attractive to private equity and industry acquirors, particularly in the healthcare and technology sectors. The Fund has been the beneficiary of a private equity bid for Dechra (EQT). While this bid was at a reasonable premium (c. 44%) to the undisturbed share price, the shares have previously traded at higher prices, reflecting the diminution of public market valuations following UK equity outflows and a challenging and uncertain economic backdrop.

There are positive aspects to the era of 'free money' coming to an end. A higher cost of capital brings a renewed focus on efficient allocation of capital by governments, corporates and consumers which, in the fullness of time, should lead to higher returns on new investments. Profitable and cash generative businesses with strong balance sheets and depressed earnings multiples, are in the enviable position of having an array of tools at their disposal to protect and enhance shareholder returns. Many companies have made use of surplus capital to deploy on share buybacks at the same time as accelerating investment into own organic growth, capacity expansion and product development. This has the effect of permanently shrinking the equity base and growing Earnings Per Share (EPS) and consequently shareholder returns. It is also a way of taking advantage of downward pressure on equity valuations from UK equity market outflows, and with equity earnings yields around 10% currently, it represents an attractive return on capital. Fund holdings such as Grafton, the building products distributor and retailer, Chemring, the countermeasures and sensors specialist and One Savings Bank, the mortgage lender, are just a few examples of companies who have ongoing buybacks. In many cases, portfolio company management teams have also been significant purchasers of their own stock, as in the case of Hill & Smith, the galvanising specialist, Howdens, the kitchen designer and Marshalls, a UK market leader in landscape and building products.

The Fund has been increasing its weight in the technology sector this year, a result of our process seeking out companies which benefit from secular growth themes or economic tailwinds that support end markets over long periods of time. Furthermore, technology companies often have the capacity to scale quickly on low levels of capital. Indeed, for many businesses, technology budgets have moved from being discretionary to strategic in nature and this has driven accelerated spend on software asset management, cyber security and cloud infrastructure. Softcat, a leading value-added reseller and a new addition to the Fund, has been a significant beneficiary of this trend. Artificial intelligence (AI) is another secular driver to add to this list, with corporate and investor attention sharply focussed on the threats and opportunities provided by the technology following the launch

of OpenAI's updated intelligent assistant, Chat GPT-4, and Google's competing AI tool, Bard. Nvidia, the US computer chip design group, has already significantly increased earnings guidance twice this year, citing AI related demand. It is also clearly a threat to some business models, with US provider of online study guides Chegg, withdrawing profits guidance in May blaming use of AI tools by customers. While there are concerns that AI could disrupt certain business models, most of the companies that we speak with suggest that AI is already a part of their technology infrastructure and is likely to improve efficiency and productivity, rather than replace business models. AI has been a significant driver of US stock market leadership.

Portfolio commentary

Tighter monetary policy by central banks has reduced global Gross Domestic Product (GDP) growth expectations, and in an effort to support economic growth, many governments are now turning to fiscal stimulus. Hill & Smith and Ashtead have been top contributors during the year and are significant beneficiaries of the Bipartisan Infrastructure Law (signed late 2021), the CHIPS & Science Act, and Inflation Reduction Act (both 2022) – these initiatives have partially overlapping priorities but together introduce \$2 trillion in new federal spending over the next ten years. Hill & Smith has specific capabilities in galvanising, composites and engineered solutions across a range of infrastructure end markets. These skills, in combination with the disposal of their French galvanising business, have driven earnings growth this year and led to several upgrades of analyst expectations.

Other than Dechra (subject to a bid as mentioned earlier), Melrose Industries was another significant contributor. The company completed the demerger of GKN Automotive and GKN Powder Metallurgy into Dowlais Group in April 2023, leaving Melrose as a focused aerospace business, manufacturing engines and structures. This was accompanied by a market wide pick up in aerospace build rates, a Capital Markets Day highlighting ambitious medium term financial targets and a £500m buyback.

One Savings Bank (OSB) and Future were two of the largest detractors. OSB announced that it would recognise an adjustment to its earnings with regards to the level of interest that it expects to earn over the life of the mortgages that it issues to borrowers. OSB adheres to IFRS accounting rules, and the adjustment is a consequence of changing customer behaviour in response to the sharp increase in interest rates set by the Bank of England. This adjustment appears to be one-off in nature, and whilst disappointing, it doesn't change our investment thesis in OSB.

Future suffered after the CEO, Zillah Byng-Thorne announced her departure. This was accompanied by a more challenging advertising environment, audience declines in the US and a weaker environment for consumer electronics and technology. The Fund liquidated its position earlier on in the year.

Manager's Investment Report (continued)

Portfolio commentary – continued

The Fund initiated new positions in London Stock Exchange (LSE) and Rotork, a global leader in the design and manufacture of actuators used in the oil, gas, power and water industries. London Stock Exchange has become more of a global financial markets and infrastructure business after acquiring Refinitiv. Now only 3% of its revenue comes from the UK exchange business and two-thirds from data and analytics. 72% of revenues are recurring and the company has 98% customer retention. In December, 2022 LSE signed a strategic partnership with Microsoft to migrate their data platform to the cloud. This should improve the quality of their data and scalability.

Rotork are seeing an improvement in oil and gas capital expenditure budgets and a sizeable opportunity to help reduce methane emissions in the US, which is driven by COP28 regulation. Their new electric actuator already has a 50% market share of the US onshore market and there is the potential over time that 6-8 electric actuators will be required across c. 400k North American producing wells. The company makes attractive returns with a 23% Earnings Before Interest, Taxes & Amortisation (EBITA) margin, is very cash generative and has £100m net cash on their balance sheet to deploy on acquisitions or enhanced shareholder returns (buybacks and dividends).

Investment outlook

There is considerable uncertainty about the outlook for the rest of 2023 and clearly there is a risk that elevated interest rates could tip economies into a recession. However, corporate balance sheets remain very robust (meaning that the balance of power is in the hands of us as equity holders rather than the debt holders), cost inflation is now receding (freight rates, raw materials and energy prices are materially lower than in 2022) and much of the destocking and supply disruption following Covid appears to be moving into the rear-view mirror.

UK equity market valuations are currently at extreme levels. Indeed, the FTSE® 250 is trading at the cheapest levels in 30 years relative to the FTSE® 100 on a median 12-month forward dividend yield basis (Berenberg, September 2023). What has been interesting over the recent earnings season is how share prices have reacted to corporate newsflow. In several cases share prices have jumped significantly higher on in-line statements, suggesting investor sentiment has become overly negative. There is a reasonable argument to suggest that we are looking at a tempting combination of companies trading on trough valuations and trough earnings forecasts! It is of course difficult to predict the catalyst for improved UK stock market performance, but a normalisation in macroeconomic conditions and an end to UK equity outflows might just trigger it.

Our focus has always been on the long term and we continue to seek out companies with the valuable fundamental attributes (scaleability, innovation, strong management teams, barriers to entry and unique assets) that will allow them to 'control the controllables' in any economic environment. We continue to believe that it is these fundamental attributes that drive stock prices over the long term, and macroeconomic data or technical headwinds such as asset allocation flow can lead to short-term mispricing. As such, we are excited by the opportunities currently on offer for UK equity investors.

Henry Lowson
Fund Manager
Royal London Asset Management Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class M Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	189.77	238.59	168.90
Return before operating charges*	14.32	(47.14)	71.20
Operating charges	(1.54)	(1.68)	(1.51)
Return after operating charges*	12.78	(48.82)	69.69
Distributions on accumulation shares	(4.98)	(5.58)	(4.10)
Retained distributions on accumulation shares	4.98	5.58	4.10
Closing net asset value per share	202.55	189.77	238.59
* after direct transaction costs of:	0.41	0.30	0.22
Performance			
Return after charges	6.73%	(20.46)%	41.26%
Other information			
Closing net asset value (£'000)	898	1,356	2,034
Closing number of shares	442,967	714,797	852,424
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.20%	0.14%	0.11%
Prices[^]			
Highest share price	216.10	244.50	239.00
Lowest share price	174.10	184.10	162.60

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	112.83	140.83	98.98
Return before operating charges*	8.54	(27.95)	41.90
Operating charges	(0.05)	(0.05)	(0.05)
Return after operating charges*	8.49	(28.00)	41.85
Distributions on accumulation shares	(3.85)	(4.25)	(3.30)
Retained distributions on accumulation shares	3.85	4.25	3.30
Closing net asset value per share	121.32	112.83	140.83
* after direct transaction costs of:	0.24	0.18	0.14
Performance			
Return after charges	7.52%	(19.88)%	42.28%
Other information			
Closing net asset value (£'000)	352,554	755,548	947,621
Closing number of shares	290,609,330	669,644,718	672,903,372
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.20%	0.14%	0.11%
Prices[^]			
Highest share price	128.90	144.70	141.00
Lowest share price	103.60	109.30	95.41

Class S Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	99.59	124.34	87.42
Return before operating charges*	7.53	(24.67)	36.99
Operating charges	(0.07)	(0.08)	(0.07)
Return after operating charges*	7.46	(24.75)	36.92
Distributions on accumulation shares	(3.37)	(3.72)	(2.89)
Retained distributions on accumulation shares	3.37	3.72	2.89
Closing net asset value per share	107.05	99.59	124.34
* after direct transaction costs of:	0.22	0.16	0.12
Performance			
Return after charges	7.49%	(19.91)%	42.23%
Other information			
Closing net asset value (£'000)	5	5	6
Closing number of shares	5,000	5,000	5,000
Operating charges	0.07%	0.07%	0.07%
Direct transaction costs	0.20%	0.14%	0.11%
Prices[^]			
Highest share price	113.80	127.70	124.50
Lowest share price	91.46	96.48	84.26

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 96.08% (31/08/22 – 97.97%)			
Oil & Gas – 11.51% (31/08/22 – 12.42%)			
Oil & Gas Producers – 11.51%			
	3,100,000 BP	15,113	4.28
	1,060,000 Shell	25,562	7.23
Total Oil & Gas		40,675	11.51
Basic Materials – 6.22% (31/08/22 – 9.22%)			
Chemicals – 1.49 %			
	95,000 Croda International	5,244	1.49
Mining – 4.73%			
	1,915,000 Glencore	8,070	2.28
	178,000 Rio Tinto	8,673	2.45
Total Basic Materials		21,987	6.22
Industrials – 28.09% (31/08/22 – 28.40%)			
Aerospace & Defence – 1.91%			
	2,334,716 Chemring	6,747	1.91
Construction & Materials – 1.29%			
	1,659,442 Marshalls	4,563	1.29
Electronic & Electrical Equipment – 0.98%			
	1,150,000 Rotork	3,459	0.98
Industrial Engineering – 7.88%			
	700,000 Hill & Smith	12,530	3.55
	62,500 Spirax-Sarco Engineering	6,331	1.79
	490,000 Weir	8,987	2.54
Support Services – 16.03%			
	200,000 Ashtead Group	11,044	3.12
	175,000 DCC	7,572	2.14
	310,000 Experian	8,562	2.42
	805,000 Grafton	6,943	1.96
	675,000 Howdens Joinery	4,992	1.41
	2,750,000 IntegraFin	6,600	1.87
	675,000 Melrose Industries	3,460	0.98
	1,250,000 Rentokil Initial	7,508	2.13
Total Industrials		99,298	28.09
Consumer Goods – 10.74% (31/08/22 – 12.00%)			
Beverages – 3.03%			
	330,000 Diageo	10,704	3.03
Household Goods – 2.49%			
	250,000 Bellway	5,340	1.51
	85,000 Berkeley	3,451	0.98
Personal Goods – 3.20%			
	280,000 Unilever	11,318	3.20
Tobacco – 2.02%			
	400,000 Imperial Brands	7,158	2.02
Total Consumer Goods		37,971	10.74

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Healthcare – 9.12% (31/08/22 – 4.89%)			
Healthcare Equipment & Services – 1.64%			
	2,500,000 ConvaTec	5,810	1.64
Pharmaceuticals & Biotechnology – 7.48%			
	190,000 AstraZeneca	20,254	5.73
	265,000 Genus	6,169	1.75
Total Healthcare		32,233	9.12
Consumer Services – 8.47% (31/08/22 – 11.04%)			
General Retailers – 4.45%			
	350,000 Dunelm	4,067	1.15
	1,035,000 Watches of Switzerland Group	6,024	1.70
	385,000 WH Smith	5,644	1.60
Media – 4.02%			
	2,447,688 Ascential	4,910	1.39
	360,000 RELX	9,277	2.63
Total Consumer Services		29,922	8.47
Financials – 18.83% (31/08/22 – 16.65%)			
Banks – 2.65%			
	22,080,000 Lloyds Banking Group	9,352	2.65
Life Insurance – 4.11%			
	825,000 Prudential	7,971	2.26
	740,000 St James's Place Capital	6,546	1.85
Financial Services – 7.20%			
	675,000 Intermediate Capital Group	9,129	2.58
	126,848 London Stock Exchange	10,369	2.93
	1,750,000 OSB Group	5,971	1.69
Non-Life Insurance – 1.57%			
	1,020,000 Beazley	5,564	1.57
Real Estate Investment Trusts – 3.30%			
	2,350,000 Grainger	5,551	1.57
	650,000 Unite Group	6,110	1.73
Total Financials		66,563	18.83
Technology – 3.10% (31/08/22 – 3.35%)			
Software & Computer Services – 3.10%			
	750,000 Auction Technology	5,310	1.50
	375,000 Softcat	5,640	1.60
Total Technology		10,950	3.10
Total value of investments		339,599	96.08
Net other assets		13,858	3.92
Total net assets		353,457	100.00

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 2023

Significant Purchases

	Cost £'000
London Stock Exchange	20,575
Rentokil Initial	18,164
RELX	17,733
Dechra Pharmaceuticals	13,832
Genus	13,368
Croda International	13,005
Unite Group	12,490
WH Smith	11,573
Howdens Joinery	10,785
Softcat	9,012
Subtotal	140,537
Total cost of purchases, including the above, for the year	207,410

Significant Sales

	Proceeds £'000
Ashtead Group	39,908
Glencore	38,678
Shell	33,547
BP	32,616
Imperial Brands	22,482
Rio Tinto	22,035
Computacenter	21,944
JD Sports Fashion	21,486
AstraZeneca	21,120
Watches of Switzerland Group	20,131
Subtotal	273,947
Total proceeds from sales, including the above, for the year	658,655

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital gains/ (losses)	2	49,318	(216,156)
Revenue	3	20,685	29,112
Expenses	4	(271)	(360)
Net revenue before taxation		20,414	28,752
Taxation	5	–	(210)
Net revenue after taxation		20,414	28,542
Total return/(deficit) before distributions		69,732	(187,614)
Distributions	6	(20,414)	(28,542)
Change in net assets attributable to shareholders from investment activities		49,318	(216,156)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		339,599	741,526
Current assets:			
Debtors	7	3,638	5,663
Cash and bank balances	8	11,444	9,757
Total assets		354,681	756,946
Liabilities			
Creditors:			
Other creditors	9	1,224	37
Total liabilities		1,224	37
Net assets attributable to shareholders		353,457	756,909

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	756,909	949,661
Amounts receivable on creation of shares	4,312	7,391
Amounts payable on cancellation of shares	(468,957)	(12,506)
	(464,645)	(5,115)
Dilution adjustment charged	662	–
Change in net assets attributable to shareholders from investment activities	49,318	(216,156)
Retained distribution on accumulation shares	11,213	28,519
Closing net assets attributable to shareholders	353,457	756,909

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains/(losses)

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	49,318	(216,167)
Currency gains	–	11
Net capital gains/(losses)	49,318	(216,156)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	18,343	26,090
Overseas dividends	1,289	2,927
Property investment income (PID)	266	–
Bank interest	763	75
Stock lending income	24	20
Total revenue	20,685	29,112

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	271	360
Total expenses	271	360

* Audit fee £14,008 (31/08/22: £13,340) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	–	210
Current tax charge for the year	–	210

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	20,414	28,752
Corporation tax at 20% (31/08/22: 20%)	4,083	5,750

Effects of:

Revenue not subject to taxation	(3,927)	(5,804)
Current year expenses not utilised	(156)	54
Irrecoverable overseas tax	–	210
Current tax charge for the year	–	210

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £14,676,000 (31/08/22: £14,832,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Final	11,213	28,519
	11,213	28,519
Add: Amounts deducted on cancellation of shares	9,223	105
Deduct: Amounts received on the creation of shares	(22)	(82)
Net distributions for the year	20,414	28,542

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	20,414	28,542
Net distributions for the year	20,414	28,542

Details of the distribution per share are set out on page 38.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	42	–
Sales awaiting settlement	1,509	821
Accrued revenue	2,087	4,842
Total debtors	3,638	5,663

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	11,444	9,757
Total cash and bank balances	11,444	9,757

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	82	9
Purchases awaiting settlement	1,130	–
Accrued expenses	12	28
Total other creditors	1,224	37

10. Reconciliation of number of shares

	Class M Accumulation	Class R Accumulation
Opening shares at 01/09/22	714,797	669,644,718
Shares issued	8,679	3,760,179
Shares cancelled	(280,509)	(382,795,567)
Closing shares at 31/08/23	442,967	290,609,330

	Class S Accumulation
Opening shares at 01/09/22	5,000
Shares issued	–
Shares cancelled	–
Closing shares at 31/08/23	5,000

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 (31/08/22: 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 £53,000 (31/08/22: £37,000).

At the year end, 31 August 2023, 99.84% (31/08/22: 99.89%) 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 2023

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 £5,902 (Gross: £29,510) (31/08/22: £5,037 (Gross: £25,185)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £32,491,000 (31/08/22: £13,458,000).

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

Asset class	31 Aug 2023	31 Aug 2022
	Collateral Held £'000	Collateral Held £'000
Equity	21,987	10,214
Bonds	12,530	4,174

The aggregate value of collateral held at the balance sheet date was £34,517,000 (31/08/22: £14,388,000).

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, HSBC, Macquarie Bank, Morgan Stanley & Co International, Natixis and 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 32. 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 2023 £'000	31 Aug 2022 £'000
Sterling	352,868	755,260
US dollar	589	1,649
Total	353,457	756,909

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 £59,000 (31/08/22: £165,000). 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 £59,000 (31/08/22: £165,000). 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 £33,960,000 (31/08/22: £74,153,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £33,960,000 (31/08/22: £74,153,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £11,444,000 (31/08/22: £9,757,000) which earn interest by reference to SONIA or international equivalent. This equates to 3.24% of the current Net Asset Value and 1.29% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

15. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	206,291	100	0.05	835	0.40	184	0.09	207,410
Total	206,291	100		835		184		207,410

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	656,004	214	0.03	–	–	1	–	655,789
Corporate actions	2,866	–	–	–	–	–	–	2,866
Total	658,870	214		–		1		658,655

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.04%
Taxes	0.13%
Other expenses	0.03%

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
Total	204,298	108		931		40		205,377

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
Total	179,930	114		–		–		179,816

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%

At the balance sheet date the portfolio dealing spread was 0.07% (31/08/22: 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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	339,599	–	–	339,599
Total	339,599	–	–	339,599

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	741,526	–	–	741,526
Total	741,526	–	–	741,526

17. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £353,880,607. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 2.63%.

There have been no significant redemptions during this period.

Distribution Table

For the year ended 31 August 2023

Distribution in pence per share

Final

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class M Accumulation				
Group 1	4.9800	–	4.9800	5.5801
Group 2	3.2776	1.7024	4.9800	5.5801
Class R Accumulation				
Group 1	3.8507	–	3.8507	4.2529
Group 2	2.9556	0.8951	3.8507	4.2529
Class S Accumulation				
Group 1	3.3677	–	3.3677	3.7237
Group 2	3.3677	0.0000	3.3677	3.7237

Royal London Japan Equity Tilt Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year return %	3 year return %	5 year return %
Royal London Japan Equity Tilt Fund, Class P Accumulation (Total return)	5.58	16.85	–
Royal London Japan Equity Tilt Fund, Class R Accumulation (Total return)	5.72	17.30	–
Royal London Japan Equity Tilt Fund, Class S Accumulation (Total return)	5.69	17.34	–
Royal London Japan Equity Tilt Fund, Class Z Accumulation (Total return)	5.60	16.86	17.49
FTSE® World Japan Index Price Return (Inception to 8th Aug 21)	5.83	16.37	11.84
FTSE® World Japan Index Net Return (Since 9th Aug 21)			
IA Japan TR	4.50	15.06	15.92

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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. 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 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 Tracker Fund and the FTSE® Japan Index was 0.23% 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.

The Fund has achieved its objective to achieve carbon intensity of at least 30% lower than that of the Fund's benchmark.

Market overview

Over the past 12 months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Manager's Investment Report (continued)

Portfolio commentary

In August 2021, RLAM started transitioning its passive equity funds from index trackers to ESG (Environmental, Social and Governance) 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 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 Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class P Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	118.38	123.46	105.95
Return before operating charges*	6.97	(4.87)	17.72
Operating charges	(0.21)	(0.21)	(0.21)
Return after operating charges*	6.76	(5.08)	17.51
Distributions on accumulation shares	(2.40)	(2.29)	(2.06)
Retained distributions on accumulation shares	2.40	2.29	2.06
Closing net asset value per share	125.14	118.38	123.46
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	5.71%	(4.11)%	16.53%
Other information			
Closing net asset value (£'000)	6	6	6
Closing number of shares	5,000	5,000	5,000
Operating charges	0.17%	0.17%	0.17%
Direct transaction costs	–	–	–
Prices[^]			
Highest share price	129.80	132.50	127.00
Lowest share price	109.40	107.80	105.70

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	110.41	114.99	98.57
Return before operating charges*	6.51	(4.52)	16.48
Operating charges	(0.06)	(0.06)	(0.06)
Return after operating charges*	6.45	(4.58)	16.42
Distributions on accumulation shares	(2.38)	(2.28)	(2.06)
Retained distributions on accumulation shares	2.38	2.28	2.06
Closing net asset value per share	116.86	110.41	114.99
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	5.84%	(3.98)%	16.66%
Other information			
Closing net asset value (£'000)	388,178	1,177,239	1,272,704
Closing number of shares	332,182,959	1,066,228,758	1,106,747,402
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	–	–	–
Prices[^]			
Highest share price	121.20	123.40	118.20
Lowest share price	102.00	100.50	98.35

Class S Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	117.99	122.88	105.33
Return before operating charges*	6.96	(4.83)	17.61
Operating charges	(0.06)	(0.06)	(0.06)
Return after operating charges*	6.90	(4.89)	17.55
Distributions on accumulation shares	(2.54)	(2.44)	(2.20)
Retained distributions on accumulation shares	2.54	2.44	2.20
Closing net asset value per share	124.89	117.99	122.88
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	5.85%	(3.98)%	16.66%
Other information			
Closing net asset value (£'000)	617	701	661
Closing number of shares	494,037	594,138	537,484
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	–	–	–
Prices[^]			
Highest share price	129.50	131.90	126.30
Lowest share price	109.00	107.40	105.10

Class Z Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	287.96	300.19	257.80
Return before operating charges*	16.95	(11.82)	43.10
Operating charges	(0.41)	(0.41)	(0.71)
Return after operating charges*	16.54	(12.23)	42.39
Distributions on accumulation shares	(5.94)	(5.69)	(4.83)
Retained distributions on accumulation shares	5.94	5.69	4.83
Closing net asset value per share	304.50	287.96	300.19
* after direct transaction costs of:	–	–	0.01
Performance			
Return after charges	5.74%	(4.07)%	16.44%
Other information			
Closing net asset value (£'000)	6,549	5,539	5,294
Closing number of shares	2,150,660	1,923,529	1,763,712
Operating charges	0.14%	0.14%	0.14%
Direct transaction costs	–	–	–
Prices[^]			
Highest share price	315.90	322.10	308.90
Lowest share price	266.00	262.20	257.20

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 97.86% (31/08/22 – 100.99%)			
Oil & Gas – 0.57% (31/08/22 – 0.79%)			
Oil & Gas Producers – 0.57%			
	5,400 Cosmo Energy	153	0.04
	227,320 ENEOS Holdings	673	0.17
	21,300 Idemitsu Kosan	357	0.09
	95,600 Inpex	1,054	0.27
Total Oil & Gas		2,237	0.57
Basic Materials – 5.37% (31/08/22 – 5.46%)			
Chemicals – 4.00%			
	194,500 Asahi Kasei	991	0.25
	43,000 DIC	585	0.15
	21,500 JSR	474	0.12
	12,300 Kaneka	273	0.07
	17,400 Kansai Paint	225	0.06
	39,600 Lintec	516	0.13
	95,700 Mitsubishi Chemical	451	0.11
	22,300 Mitsubishi Gas Chemical	240	0.06
	14,900 Mitsui Chemicals	319	0.08
	44,000 Nagase & Company	595	0.15
	70,100 Nippon Kayaku	496	0.13
	126,300 Nippon Paint	770	0.19
	15,400 Nissan Chemical Industries	520	0.13
	20,500 Nitto Denko	1,101	0.28
	9,600 NOF	342	0.09
	227,000 Shin-Etsu Chemical	5,727	1.45
	10,200 Showa Denko KK	131	0.03
	6,900 Sumitomo Bakelite	258	0.07
	158,500 Sumitomo Chemical	346	0.09
	50,300 Teijin	404	0.10
	196,900 Toray Industries	836	0.21
	24,200 Zeon	211	0.05
Forestry & Paper – 0.04%			
	52,400 Oji	169	0.04
Industrial Metals – 1.33%			
	8,500 Daido Steel	278	0.07
	8,100 Dowa Mining	206	0.05
	14,500 JFE	181	0.05
	6,000 Kobe Steel	59	0.02
	32,100 Maruichi Steel Tube	658	0.17
	8,500 Mitsui Mining & Smelting	171	0.04
	60,100 Nippon Steel	1,122	0.28
	31,200 Sumitomo Metal Mining	763	0.19
	30,900 Toyota Tsusho	1,452	0.37
	9,700 Yamato Kogyo	369	0.09
Total Basic Materials		21,239	5.37
Industrials – 25.71% (31/08/22 – 26.23%)			
Construction & Materials – 1.50%			
	3,600 Aica Kogyo	67	0.02
	1,800 Asahi Glass	50	0.01
	11,900 Comsys	200	0.05
	10,400 EXEO Group	174	0.04
	58,700 Haseko	576	0.15
	28,700 Infroneer Holdings	236	0.06
	65,300 Kajima	860	0.22
	31,200 Kandenko	225	0.06
	11,200 Kinden	121	0.03
	24,100 Lixil Group	238	0.06
	113,500 Obayashi	808	0.20
	30,900 Penta-Ocean Construction	145	0.04
	25,300 Sanwa Holding	304	0.08
	106,600 Shimizu	565	0.14
	4,600 Sho-Bond Holdings	146	0.04
	28,000 Taisei	743	0.19
	23,700 Toda	105	0.03
	14,600 Toto	316	0.08

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Electronic & Electrical Equipment – 8.02%			
	31,200 Alps Electric	206	0.05
	7,100 Amano	122	0.03
	16,700 Azbil	439	0.11
	15,700 Fuji Electric	584	0.15
	35,900 Fujikura	235	0.06
	11,400 Furukawa Electric	154	0.04
	13,800 Hamamatsu Photonics	504	0.13
	3,200 Hirose Electric	305	0.08
	110,500 Hitachi	5,806	1.47
	4,300 Horiba	176	0.04
	40,900 Hoya	3,574	0.90
	12,400 Ibiden	589	0.15
	6,800 Japan Aviation Electronic	113	0.03
	2,300 JEOL	58	0.01
	23,500 Keyence	7,699	1.95
	38,300 Kyocera	1,551	0.39
	4,700 Mabuchi Motor	113	0.03
	52,800 Minebea	706	0.18
	67,100 Murata Manufacturing	2,974	0.75
	9,200 NGK Insulators	96	0.02
	63,700 Nidec	2,633	0.67
	23,100 Omron	881	0.22
	12,200 Taiyo Yuden	267	0.07
	43,200 TDK	1,243	0.31
	4,400 Toshiba TEC Corporation	85	0.02
	12,700 Ushio	126	0.03
	32,900 Yokogawa Electric	515	0.13
General Industrials – 0.60%			
	18,300 IHI	360	0.09
	15,500 Rengo	83	0.02
	28,000 Sojitz	475	0.12
	53,900 Toshiba	1,344	0.34
	8,600 Toyo Seikan	123	0.03
Industrial Engineering – 7.18%			
	61,200 Amada	511	0.13
	30,000 Daifuku	437	0.11
	32,100 Daikin Industries	4,387	1.11
	10,500 Disco	1,629	0.41
	23,300 DMG Mori	336	0.08
	11,000 Ebara	432	0.11
	118,300 Fanuc	2,661	0.67
	5,500 Harmonic Drive Systems	114	0.03
	31,600 Hino Motors	98	0.02
	12,600 Hitachi Construction Machinery	310	0.08
	13,000 Hoshizaki Electric	393	0.10
	75,300 Isuzu Motors	763	0.19
	4,900 Japan Steel Works	78	0.02
	32,800 JGC	345	0.09
	21,800 Kawasaki Heavy Industries	442	0.11
	117,600 Komatsu	2,644	0.67
	140,400 Kubota	1,775	0.45
	15,800 Kurita Water Industries	487	0.12
	4,200 Kyudenko	102	0.03
	32,300 Misumi	445	0.11
	244,900 Mitsubishi Electric	2,518	0.64
	37,700 Mitsubishi Heavy Industries	1,686	0.43
	6,600 Miura	120	0.03
	10,500 Nabtesco	157	0.04
	48,000 NSK	221	0.06
	5,000 Okuma	185	0.05
	8,900 OSG	89	0.02
	31,900 Shimadzu	741	0.19
	6,800 SMC	2,595	0.66
	14,200 Sumitomo Heavy Industries	281	0.07
	12,100 THK	174	0.04
	6,100 Ulvac	187	0.05
	33,000 Yaskawa Electric	1,023	0.26

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Industrials – 25.71% (31/08/22 – 26.23%) – continued			
Industrial Transportation – 1.29%			
8,000	Japan Airport Terminal	299	0.08
13,100	Kamigumi	232	0.06
18,000	Kawasaki Kisen Kaisha	476	0.12
18,600	Kyushu Railway	320	0.08
1,000	Maruwa Unyu Kikan	12	–
8,900	Mitsubishi Logistics	186	0.05
30,000	Mitsui OSK Lines	656	0.17
7,900	Nippon Express	324	0.08
50,600	Nippon Yusen KK	1,065	0.27
9,200	Sankyu	253	0.06
20,500	Seino	236	0.06
46,200	SG Holdings	527	0.13
35,100	Yamato	519	0.13
Support Services – 7.12%			
3,900	Askul	42	0.01
5,100	Benefit One	35	0.01
4,300	GMO Payment Gateway	215	0.05
33,000	Hirogin Holdings	163	0.04
160,500	Itochu	4,756	1.20
184,700	Marubeni	2,376	0.60
139,900	Mitsubishi	5,429	1.37
179,400	Mitsui & Company	5,272	1.33
31,800	Monotaro	296	0.07
19,900	Persol Holdings	269	0.07
165,300	Recruit	4,666	1.18
24,800	Secom	1,369	0.35
5,300	SMS CO	81	0.02
37,000	Sohgo Securities Services	186	0.05
133,500	Sumitomo	2,161	0.55
11,700	TechnoPro	227	0.06
34,100	Toppa Printing	651	0.16
Total Industrials		101,683	25.71

Consumer Goods – 21.83% (31/08/22 – 23.08%)

Automobiles & Parts – 10.26%			
19,300	Aisin Seiki	509	0.13
66,600	Bridgestone	2,041	0.52
54,300	Denso	2,922	0.74
2,900	GS Yuasa	43	0.01
206,500	Honda Motor	5,264	1.33
30,800	JTEKT	220	0.06
33,800	Koito Manufacturing	453	0.11
87,200	Mazda Motor	724	0.18
76,900	Mitsubishi Motors	239	0.06
20,500	NGK Spark Plug	376	0.10
26,000	NHK Spring	159	0.04
10,400	Nifco	242	0.06
271,000	Nissan Motor	911	0.23
11,400	NOK	126	0.03
6,200	Stanley Electric	86	0.02
85,900	Subaru Corporation	1,308	0.33
92,100	Sumitomo Electric Industries	889	0.22
13,900	Sumitomo Rubber Industries	116	0.03
58,700	Suzuki Motor	1,823	0.46
6,900	Toyo Tire & Rubber	82	0.02
700	Toyoda Gosei	12	–
9,200	Toyota Boshoku	138	0.04
17,800	Toyota Industries	990	0.25
1,457,000	Toyota Motor	19,820	5.01
11,100	TS Tech	104	0.03
40,200	Yamaha Motor	822	0.21
11,000	Yokohama Rubber	176	0.04
Beverages – 1.01%			
62,200	Asahi Breweries	1,913	0.48
32,300	Coca-Cola West Japan	332	0.08
5,900	Ito En	138	0.04

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
5,400	Kagome	99	0.03
79,200	Kirin	877	0.22
6,700	Sapporo Breweries	162	0.04
13,900	Suntory Beverage & Food	355	0.09
18,500	Takara Shuzo	126	0.03
Food Producers – 1.80%			
55,600	Ajinomoto	1,857	0.47
2,000	Ariake Japan	57	0.01
3,600	Calbee	57	0.01
12,800	Ezaki Glico	267	0.07
18,300	House Foods	312	0.08
35,500	Itoham Yonekyu	156	0.04
12,100	Kewpie	159	0.04
22,800	Kikkoman	1,040	0.26
1,900	Kotobuki Spirits	118	0.03
28,200	Meiji	558	0.14
3,400	Morinaga	98	0.02
3,400	Morinaga Milk Industry	110	0.03
10,400	NH Foods	254	0.06
11,400	Nichirei	213	0.05
28,600	Nisshin Seifun	296	0.07
6,900	Nissin Food Products	476	0.12
8,700	Toyo Suisan Kaisha	283	0.07
17,200	Yakult Honsha	711	0.18
12,900	Yamazaki Baking	193	0.05
Household Goods – 1.36%			
80,100	Daiwa House Industry	1,756	0.44
5,800	Fujitsu General	88	0.02
16,900	IIDA Group	219	0.06
26,600	Kokuyo	326	0.08
30,200	Makita	654	0.17
6,900	Rinnai	105	0.03
6,800	Sanrio	279	0.07
32,300	Sekisui Chemical	391	0.10
75,800	Sekisui House	1,219	0.31
14,200	Sumitomo Forestry	315	0.08
Leisure Goods – 5.28%			
71,600	Bandai Namco Entertainment	1,311	0.33
23,000	Casio Computer	161	0.04
12,200	Daiichi Kosho	186	0.05
12,300	Konami	561	0.14
34,600	Nikon	295	0.07
127,200	Nintendo	4,313	1.09
262,200	Panasonic	2,381	0.60
19,600	Sega Sammy	309	0.08
26,500	Sharp	128	0.03
9,600	Shimano	1,113	0.28
148,800	Sony	9,792	2.48
15,200	Yamaha	370	0.09
Personal Goods – 1.60%			
8,400	ABC-Mart	121	0.03
21,700	Asics	624	0.16
3,200	Descente	64	0.02
7,100	Fancl	98	0.02
3,900	Goldwin	220	0.06
53,700	Kao	1,640	0.41
2,800	Kose	183	0.05
19,300	Lion	166	0.04
500	Noevir Holdings	15	–
4,300	Paltac	112	0.03
10,100	Pigeon	92	0.02
8,000	Pola Orbis	81	0.02
47,900	Shiseido	1,532	0.39
44,400	Uni-Charm	1,398	0.35
Tobacco – 0.52%			
119,800	Japan Tobacco	2,068	0.52
Total Consumer Goods		86,498	21.83

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Healthcare – 7.25% (31/08/22 – 8.32%)			
Healthcare Equipment & Services – 1.33%			
	2,000 Amvis Holdings	32	0.01
	2,100 AS One	65	0.02
	13,900 Asahi Intecc	223	0.06
	6,500 Mani	67	0.02
	8,200 Menicon	90	0.02
	5,600 Nihon Kohden	118	0.03
	12,900 Nipro	84	0.02
	149,600 Olympus Optical	1,598	0.40
	6,600 Ship Healthcare Holdings	88	0.02
	23,900 Sysmex	1,004	0.25
	79,800 Terumo	1,904	0.48
Pharmaceuticals & Biotechnology – 5.92%			
	23,300 Alfresa	315	0.08
	222,600 Astellas Pharmaceuticals	2,662	0.67
	81,800 Chugai Pharmaceuticals	1,973	0.50
	228,300 Daiichi Sankyo	5,319	1.35
	32,500 Eisai	1,630	0.41
	12,000 H.U. Group Holdings	172	0.04
	8,200 Hisamitsu Pharmaceutical	219	0.06
	4,300 JCR Pharmaceuticals	30	0.01
	1,300 Kaken Pharmaceutical	25	0.01
	6,100 Kobayashi Pharmaceutical	238	0.06
	23,100 Kyowa Hakko Kirin	334	0.08
	31,100 Medipal	421	0.11
	5,700 Nippon Shinyaku	197	0.05
	56,500 Ono Pharmaceutical	845	0.21
	56,200 Otsuka	1,686	0.43
	10,200 Peptidream	103	0.03
	20,000 Rohto Pharmaceutical	411	0.10
	30,500 Santen Pharmaceutical	224	0.06
	4,200 Sawai Group Holdings	106	0.03
	32,700 Shionogi	1,134	0.29
	15,600 Sumitomo Dainippon Pharmaceuticals	43	0.01
	11,600 Suzuken	271	0.07
	4,500 Taisho Pharmaceuticals	147	0.04
	19,700 Takara Bio	152	0.04
	190,000 Takeda Pharmaceutical	4,638	1.17
	1,400 Tsumura & Co	21	0.01
Total Healthcare		28,589	7.25
Consumer Services – 8.62% (31/08/22 – 9.02%)			
Food & Drug Retailers – 0.56%			
	3,700 AIN Holdings	104	0.03
	1,800 Cosmos Pharmaceutical	167	0.04
	13,900 Kobe Bussan	273	0.07
	1,900 Lawson	72	0.02
	15,500 MatsukiyoCocokara & Co.	719	0.18
	3,800 Sugi	135	0.03
	4,300 Sundrug	100	0.03
	3,200 Tsuruha	185	0.05
	9,900 Welcia	144	0.04
	6,500 Yaoko	270	0.07
General Retailers – 3.39%			
	91,700 Aeon	1,500	0.38
	7,200 Benesse	72	0.02
	16,500 Bic Camera	97	0.02
	12,500 Dena	102	0.03
	19,000 Fast Retailing	3,440	0.87
	33,800 Isetan Mitsukoshi	306	0.08
	4,300 Izumi	88	0.02
	27,200 J. Front Retailing	226	0.06
	15,600 K's Holdings	113	0.03

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
	14,400 Kakaku.com	135	0.03
	1,800 Kusuri No Aoki Holdings	89	0.02
	25,300 Marui	345	0.09
	9,400 Nitori	846	0.21
	48,800 Pan Pacific	768	0.19
	15,700 Park24	175	0.04
	129,000 Rakuten	397	0.10
	26,000 Ryohin Keikaku	264	0.07
	94,200 Seven & I	3,052	0.77
	2,400 Shimamura	195	0.05
	10,600 Sushiro Global Holdings	159	0.04
	16,200 Takashimaya	192	0.05
	22,900 USS	316	0.08
	5,300 Workman	151	0.04
	81,500 Yamada Holdings	202	0.05
	12,300 ZOZO	194	0.05
Media – 0.80%			
	26,000 Dai Nippon Printing	561	0.14
	30,800 Dentsu	725	0.18
	10,800 Fuji Media	89	0.02
	40,500 Hakuodo DY	301	0.08
	8,600 Kadokawa Dwango Corporation	160	0.04
	1,000 Shochiku Film	60	0.02
	53,600 So-Net M3	842	0.21
	4,200 TBS Holdings	59	0.01
	500 Toei Animation	33	0.01
	12,100 Toho	363	0.09
Travel & Leisure – 3.87%			
	22,700 Central Japan Railway	2,299	0.58
	43,600 East Japan Railway	1,940	0.49
	200 Fuji Kyuko	6	–
	32,300 Hankyu	910	0.23
	5,100 Heiwa	61	0.02
	8,100 Keihan Electric Railway	182	0.05
	22,700 Keikyu	165	0.04
	12,700 Keio	346	0.09
	16,100 Keisei Electric Railway	486	0.12
	18,800 Kintetsu	469	0.12
	12,200 McDonald's	382	0.10
	26,900 Nagoya Railroad	341	0.09
	9,900 Nankai Electric Railway	164	0.04
	16,000 Nishi-Nippon Railroad	236	0.06
	31,700 Odakyu Electric Railway	372	0.09
	116,500 Oriental Land	3,304	0.84
	8,800 Resort Trust	111	0.03
	6,800 Sankyo	233	0.06
	17,400 Seibu	145	0.04
	22,800 Skylark	252	0.06
	6,800 Sotetsu	105	0.03
	21,900 Tobu Railway	474	0.12
	90,200 Tokyu	896	0.23
	26,700 West Japan Railway	912	0.23
	11,300 Zensho	420	0.11
Total Consumer Services		33,997	8.62
Telecommunications – 3.94% (31/08/22 – 4.54%)			
Fixed Line Telecommunications – 0.80%			
	3,472,600 Nippon Telegraph & Telephone	3,164	0.80
Mobile Telecommunications – 3.14%			
	2,500 Hikari Tsushin	329	0.08
	195,400 KDDI	4,567	1.16
	117,500 Softbank	4,165	1.05
	371,800 Softbank Corporation	3,365	0.85
Total Telecommunications		15,590	3.94

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Utilities – 1.18% (31/08/22 – 1.28%)			
Electricity – 0.20%			
48,800	Kansai Electric Power	547	0.14
7,900	Renova	59	0.02
47,700	Tokyo Electric Power	165	0.04
Gas, Water & Multiutilities – 0.98%			
19,300	Iwatani	803	0.20
91,500	Osaka Gas	1,155	0.29
38,600	Toho Gas	546	0.14
75,500	Tokyo Gas	1,377	0.35
Total Utilities		4,652	1.18
Financials – 14.80% (31/08/22 – 14.08%)			
Banks – 6.57%			
13,600	Aozora Bank	211	0.05
7,900	Bank of Kyoto	360	0.09
74,600	Chiba Bank	419	0.11
10,500	Chugin Financial Group	55	0.01
162,200	Concordia Financial	568	0.14
22,000	Fukuoka Financial	411	0.10
32,900	Hachijuni Bank	140	0.04
29,000	Iyogin Holdings	159	0.04
178,000	Japan Post Bank	1,126	0.28
20,100	Kyushu Financial	78	0.02
148,400	Mebuki Financial Group	324	0.08
1,429,230	Mitsubishi UFJ Financial	9,014	2.28
317,400	Mizuho Financial	4,143	1.05
287,500	Resona	1,202	0.30
56,500	Seven Bank	95	0.02
8,200	Shinsei Bank	126	0.03
58,000	Shizuoka Financial Group	372	0.09
159,500	Sumitomo Mitsui Financial	5,758	1.46
42,100	Sumitomo Mitsui Trust	1,242	0.31
44,100	Yamaguchi Financial	276	0.07
Equity Investment Instruments – 0.13%			
977	Japan Retail Fund	517	0.13
Financial Services – 1.86%			
14,800	Aeon Financial Service	102	0.03
7,400	Century Tokyo Leasing	224	0.06
32,700	Credit Saison	403	0.10
271	Daiwa Securities	164	0.04
146,800	Daiwa Securities	658	0.17
5,700	Fuyo General Lease	372	0.09
51,800	Japan Exchange	712	0.18
11,900	Matsui Securities	52	0.01
81,500	Mitsubishi HC Capital	416	0.11
6,500	Money Forward	193	0.05
15,700	Nihon M&A Center	69	0.02
367,400	Nomura	1,123	0.28
5,700	Orient	34	0.01
151,800	Orix	2,237	0.57
23,800	SBI Holdings	383	0.10
5,400	Zenkoku Hoshu	148	0.04
Life Insurance – 1.13%			
115,700	Dai-ichi Mutual Life Insurance	1,700	0.43
267,200	Japan Post	1,618	0.41
26,700	Japan Post Insurance	339	0.09
64,100	T&D	803	0.20
Non-Life Insurance – 1.74%			
58,066	MS & AD Insurance	1,649	0.42
37,400	Sompo Japan Nipponkoa	1,284	0.32
224,900	Tokio Marine	3,934	1.00

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Real Estate Investment Services – 1.85%			
11,600	Aeon Mall	110	0.03
7,400	Daito Trust Construction	644	0.16
60,300	Hulic	427	0.11
2,800	Katitas	35	0.01
142,500	Mitsubishi Estate	1,434	0.36
118,300	Mitsui Fudosan	2,044	0.52
13,900	Nomura Real Estate	275	0.07
8,800	Open House	235	0.06
12,300	Relo Group	114	0.03
667	Sekisui House REIT	303	0.08
50,800	Sumitomo Realty & Development	1,026	0.26
24,300	Tokyo Tatemono	252	0.06
83,000	Tokyu Fudosan	408	0.10
Real Estate Investment Trusts – 1.52%			
123	Activia Properties	272	0.07
142	Advance Residence Investment	269	0.07
540	Aeon REIT	431	0.11
124	Daiwa House Residential Investment Corporation	185	0.05
7	Daiwa Office Investment Corporation	26	0.01
77	Frontier REIT	196	0.05
448	GLP J REIT	333	0.08
191	Industrial & Infrastructure Fund Investment Corporation	150	0.04
724	Invincible Investment	236	0.06
143	Japan Hotel REIT Investment Corporation	57	0.01
123	Japan Logistics	202	0.05
65	Japan Prime Realty Investment Corporation	130	0.03
196	Japan Real Estate Investment Corporation	640	0.16
51	Kenedix Realty Investment Corporation	95	0.02
281	Lasalle Logiport REIT	226	0.06
62	Mitsui Fudosan Logistics	166	0.04
131	Mori Hills REIT Investment Corporation	104	0.03
56	Nippon Accommodations Fund	199	0.05
122	Nippon Building Fund REIT	405	0.10
266	Nippon Prologis REIT	420	0.11
581	Nomura Real Estate Master	537	0.14
384	Orix JREIT	377	0.10
357	United Urban Investment Corporation	301	0.08
Total Financials		58,477	14.80
Technology – 8.52% (31/08/22 – 8.19%)			
Software & Computer Services – 2.55%			
16,800	BayCurrent Consulting	456	0.12
6,300	Biprogy	129	0.03
23,400	Capcom	779	0.20
65,700	CyberAgent	330	0.08
6,000	GMO Internet	77	0.02
3,600	Gunggho Online Entertainment	47	0.01
4,700	Information Services International	148	0.04
12,200	Internet Initiative Japan	167	0.04
22,800	IT Holdings	424	0.11
9,600	Itochu Techno-Solutions	225	0.06
3,100	JMDC	73	0.02
100	JustSystems	2	–
15,100	Mercari	271	0.07
8,700	Net One Systems	135	0.03
51,700	Nexon	826	0.21
54,500	Nomura Research Institute	1,233	0.31
80,000	NTT Data	847	0.21
8,700	Obic	1,192	0.30
1,700	Obic Business Consultants	57	0.01
3,400	Oracle Japan	187	0.05
10,400	Otsuka	366	0.09
7,400	Rakus	95	0.02

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Technology – 8.52% (31/08/22 – 8.19%) – continued			
Software & Computer Services – 2.55% – continued			
10,800	SCSK	147	0.04
1,100	SHIFT	179	0.05
3,000	Shinnittetsu Sumikin Solutions	64	0.02
11,100	Square Enix	333	0.08
17,200	Tecmo Koei Holdings	210	0.05
11,400	Trend Micro	382	0.10
300,300	Z Holdings	712	0.18
Technology Hardware & Equipment – 5.97%			
22,600	Advantest	2,239	0.57
14,600	Anritsu	84	0.02
26,500	Brother Industries	353	0.09
120,500	Canon	2,336	0.59
5,100	Canon Marketing Japan	106	0.03
44,300	Fujifilm	2,066	0.52
22,000	Fujitsu	2,170	0.55
59,400	Konica Minolta	145	0.04
9,400	Lasertec	1,155	0.29
2,300	Mitsui High-Tec	123	0.03
33,700	NEC	1,400	0.35
9,800	NEC Networks & System Integration Corporation	103	0.03
147,000	Renesas Electronics	1,948	0.49
73,800	Ricoh	475	0.12
6,800	Rohm	448	0.11
5,400	Screen	434	0.11
37,000	Seiko Epson	456	0.12
4,900	Shinko Electric Industries	159	0.04
4,000	Socionext	390	0.10
24,900	Sumco	263	0.07
54,300	Tokyo Electron	6,349	1.61
6,800	Tokyo Ohka Kogyo	363	0.09
Total Technology		33,658	8.52
Futures – 0.07% (31/08/22 – 0.01%)			
69	OSE Topix Index Future September 2023	276	0.07
Total Futures		276	0.07
Total value of investments		386,896	97.86
Net other assets		8,454	2.14
Total net assets		395,350	100.00

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 2023

Significant Purchases

	Cost £'000
Toyota Motor	2,833
Sony	1,741
Keyence	1,364
Mitsubishi UFJ Financial	1,244
Japan Post Bank	1,129
Shin-Etsu Chemical	973
Tokyo Electron	903
Frontier REIT	877
Takeda Pharmaceutical	875
Mitsubishi	859
Subtotal	12,798
Total cost of purchases, including the above, for the year	71,385

Significant Sales

	Proceeds £'000
Toyota Motor	40,455
Sony	24,982
Mitsubishi UFJ Financial	20,926
Keyence	19,938
Daiichi Sankyo	14,645
Sumitomo Mitsui Financial	13,670
Shin-Etsu Chemical	12,852
Tokyo Electron	12,253
KDDI	11,778
Takeda Pharmaceutical	11,629
Subtotal	183,128
Total proceeds from sales, including the above, for the year	898,166

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital gains/ (losses)	2	20,188	(79,877)
Revenue	3	18,085	29,318
Expenses	4	(389)	(628)
Interest payable and similar charges		(7)	(10)
Net revenue before taxation		17,689	28,680
Taxation	5	(1,792)	(2,908)
Net revenue after taxation		15,897	25,772
Total return/(deficit) before distributions		36,085	(54,105)
Distributions	6	(15,898)	(25,772)
Change in net assets attributable to shareholders from investment activities		20,187	(79,877)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		386,896	1,195,324
Current assets:			
Debtors	7	503	1,776
Cash and bank balances	8	7,983	12,475
Total assets		395,382	1,209,575
Liabilities			
Creditors:			
Other creditors	9	32	26,090
Total liabilities		32	26,090
Net assets attributable to shareholders		395,350	1,183,485

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	1,183,485	1,278,665
Amounts receivable on creation of shares	97,897	78,032
Amounts payable on cancellation of shares	(65,512)	(118,676)
Amounts payable on in-specie transfer of shares*	(857,170)	–
	(824,785)	(40,644)
Dilution adjustment charged	261	303
Change in net assets attributable to shareholders from investment activities	20,187	(79,877)
Retained distribution on accumulation shares	16,202	25,038
Closing net assets attributable to shareholders	395,350	1,183,485

* Represents the value of units cancelled by in-specie transfer of assets into the Royal London Japan Equity Tilt Tax Transparent Fund during the year.

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains/(losses)

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	18,156	(76,327)
Derivative securities	3,119	(1,985)
Currency losses	(1,087)	(1,565)
Net capital gains/(losses)	20,188	(79,877)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
Overseas dividends	17,920	29,103
Bank interest	20	5
Stock lending income	145	210
Total revenue	18,085	29,318

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	389	628
Total expenses	389	628

* Audit fee £17,464 (31/08/22: £16,632) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	1,792	2,908
Current tax charge for the year	1,792	2,908

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	17,689	28,680
Corporation tax at 20% (31/08/22: 20%)	3,538	5,736

Effects of:

Revenue not subject to taxation	(3,472)	(5,647)
Excess management expenses utilised	(55)	(72)
Irrecoverable overseas tax	1,792	2,908
Tax relief on overseas tax suffered	(11)	(17)
Current tax charge for the year	1,792	2,908

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £4,778,000 (31/08/22: £4,833,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Interim	11,973	11,731
Final	4,229	13,307
	16,202	25,038
Add: Amounts deducted on cancellation of shares	452	1,129
Deduct: Amounts received on the creation of shares	(756)	(395)
Net distributions for the year	15,898	25,772

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	15,897	25,772
Movement in income carried forward	1	–
Net distributions for the year	15,898	25,772

Details of the distribution per share are set out on page 54.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	3	20
Sales awaiting settlement	2	9
Foreign exchange sales awaiting settlement	–	33
Accrued revenue	498	1,714
Total debtors	503	1,776

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	7,824	11,785
Amounts held at futures clearing houses and brokers	159	690
Total cash and bank balances	7,983	12,475

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	15	26,038
Accrued expenses	17	52
Total other creditors	32	26,090

10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/22	5,000	1,066,228,758
Shares issued	–	84,608,878
Shares cancelled	–	(818,654,677)
Closing shares at 31/08/23	5,000	332,182,959

	Class S Accumulation	Class Z Accumulation
Opening shares at 01/09/22	594,138	1,923,529
Shares issued	57,283	715,386
Shares cancelled	(157,384)	(488,255)
Closing shares at 31/08/23	494,037	2,150,660

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 (31/08/22: 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 £29,000 (31/08/22: £26,070,000).

At the year end, 31 August 2023, 79.75% (31/08/22: 98.74%) 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 2023

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 £36,000 (Gross: £181,000) (31/08/22: £53,000 (Gross: £263,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £40,886,000 (31/08/22: £103,477,000).

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

Asset class	31 Aug 2023	31 Aug 2022
	Collateral Held £'000	Collateral Held £'000
Equity	28,116	54,640
Bonds	15,032	55,570

The aggregate value of collateral held at the balance sheet date was £43,148,000 (31/08/22: £110,210,000).

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 JP Morgan Securities, Barclays Capital Securities, Macquarie Bank, BNP Paribas Arbitrage, Citigroup Global Market, HSBC Bank, Merrill Lynch International and Natixis.

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 42 to 46.

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 48. 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 2023 £'000	31 Aug 2022 £'000
Sterling	309	(25,230)
Japanese yen	395,041	1,208,715
Total	395,350	1,183,485

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 £39,504,000 (31/08/22: £120,871,000). 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 £39,504,000 (31/08/22: £120,871,000). 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 £38,690,000 (31/08/22: £119,532,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £38,690,000 (31/08/22: £119,532,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £7,824,000 (31/08/22: £11,785,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.98% of the current Net Asset Value and 1% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

16. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	71,382	3	–	–	–	–	–	71,385
Total	71,382	3		–		–		71,385

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	52,127	2	–	–	–	–	–	52,125
In-specie transactions	842,881	–	–	–	–	–	–	842,881
Corporate actions	3,160	–	–	–	–	–	–	3,160
Total	898,168	2		–		–		898,166

The Fund had paid £5,000 as commission on purchases and sales derivative transactions for the year ended 31/08/23.

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 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	53,413	–	–	–	–	–	–	53,413
Total	53,413	–		–		–		53,413

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
Total	45,832	1		–		–		45,831

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%

At the balance sheet date the portfolio dealing spread was 0.22% (31/08/22: 0.23%).

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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	386,620	–	–	386,620
Derivatives	276	–	–	276
Total	386,896	–	–	386,896

As at the year ended 31 August 2022

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

18. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £398,720,607. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 0.75%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class P Accumulation				
Group 1	1.1336	–	1.1336	1.0368
Group 2	1.1336	0.0000	1.1336	1.0368
Class R Accumulation				
Group 1	1.1274	–	1.1274	1.0373
Group 2	0.6982	0.4292	1.1274	1.0373
Class S Accumulation				
Group 1	1.2047	–	1.2047	1.1084
Group 2	1.2047	0.0000	1.2047	1.1084
Class Z Accumulation				
Group 1	2.8140	–	2.8140	2.5727
Group 2	0.5205	2.2935	2.8140	2.5727

Final

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class P Accumulation				
Group 1	1.2638	–	1.2638	1.2560
Group 2	1.2638	0.0000	1.2638	1.2560
Class R Accumulation				
Group 1	1.2508	–	1.2508	1.2417
Group 2	0.1991	1.0517	1.2508	1.2417
Class S Accumulation				
Group 1	1.3379	–	1.3379	1.3270
Group 2	0.1798	1.1581	1.3379	1.3270
Class Z Accumulation				
Group 1	3.1283	–	3.1283	3.1123
Group 2	0.7508	2.3775	3.1283	3.1123

Royal London UK Core Equity Tilt Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Core Equity Tilt Fund, Class P Accumulation	5.55	36.10	–
Royal London UK Core Equity Tilt Fund, Class R Accumulation	5.60	36.20	–
Royal London UK Core Equity Tilt Fund, Class Z Accumulation	6.35	36.98	19.33
Royal London UK Core Equity Tilt Fund, Class Z Income	6.82	37.56	19.90
FTSE® 350 Index	5.40	35.00	18.22
IA UK All Companies TR	3.79	22.84	8.41

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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. 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 0.2645% 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 manager, however, will typically invest around 90% of the Fund's asset in companies that belong to the Index.

The Fund has achieved its objective to achieve carbon intensity of at least 10% lower than that of the Fund's benchmark.

Market overview

Over the past 12 months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Manager's Investment Report (continued)

Portfolio commentary

In August 2021, RLAM started transitioning its passive equity funds from index trackers to ESG (Environmental, Social and Governance) 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 Limited

31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class P Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	113.12	111.16	88.24
Return before operating charges*	6.36	2.03	22.99
Operating charges	(0.08)	(0.07)	(0.07)
Return after operating charges*	6.28	1.96	22.92
Distributions on accumulation shares	(4.05)	(3.83)	(3.27)
Retained distributions on accumulation shares	4.05	3.83	3.27
Closing net asset value per share	119.40	113.12	111.16
* after direct transaction costs of:	0.02	0.03	0.04
Performance			
Return after charges	5.55%	1.76%	25.97%
Other information			
Closing net asset value (£'000)	6	6	5
Closing number of shares	5,000	5,000	5,000
Operating charges**	0.12%	0.11%	0.07%
Direct transaction costs	0.02%	0.02%	0.04%
Prices[^]			
Highest share price	125.70	118.50	111.90
Lowest share price	105.40	105.80	83.12

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	116.87	114.80	91.09
Return before operating charges*	6.59	2.11	23.74
Operating charges	(0.04)	(0.04)	(0.03)
Return after operating charges*	6.55	2.07	23.71
Distributions on accumulation shares	(4.25)	(3.99)	(3.42)
Retained distributions on accumulation shares	4.25	3.99	3.42
Closing net asset value per share	123.42	116.87	114.80
* after direct transaction costs of:	0.02	0.03	0.04
Performance			
Return after charges	5.60%	1.80%	26.03%
Other information			
Closing net asset value (£'000)	5,758,683	6,588,112	6,747,898
Closing number of shares	4,666,033,583	5,637,184,818	5,877,859,446
Operating charges**	0.08%	0.07%	0.03%
Direct transaction costs	0.02%	0.02%	0.04%
Prices[^]			
Highest share price	129.90	122.40	115.60
Lowest share price	109.00	109.30	85.82

Class Z Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	198.34	194.99	154.87
Return before operating charges*	12.80	3.55	40.35
Operating charges	(0.21)	(0.20)	(0.23)
Return after operating charges*	12.59	3.35	40.12
Distributions on accumulation shares	(8.71)	(6.64)	(5.64)
Retained distributions on accumulation shares	8.71	6.64	5.64
Closing net asset value per share	210.93	198.34	194.99
* after direct transaction costs of:	0.03	0.05	0.07
Performance			
Return after charges	6.35%	1.72%	25.91%
Other information			
Closing net asset value (£'000)	22,996	18,259	42,496
Closing number of shares	10,902,151	9,205,944	21,794,123
Operating charges***	0.15%	0.14%	0.10%
Direct transaction costs	0.02%	0.02%	0.04%
Prices[^]			
Highest share price	220.50	207.80	196.30
Lowest share price	184.90	185.60	145.90

Class Z Income

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	122.84	124.91	102.25
Return before operating charges*	8.51	2.28	26.50
Operating charges	(0.13)	(0.13)	(0.14)
Return after operating charges*	8.38	2.15	26.36
Distributions on income shares	(5.99)	(4.22)	(3.70)
Closing net asset value per share	125.23	122.84	124.91
* after direct transaction costs of:	0.02	0.03	0.04
Performance			
Return after charges	6.82%	1.72%	25.78%
Other information			
Closing net asset value (£'000)	6,862	4,760	25,433
Closing number of shares	5,479,612	3,873,960	20,361,863
Operating charges***	0.15%	0.14%	0.10%
Direct transaction costs	0.02%	0.02%	0.04%
Prices[^]			
Highest share price	136.50	132.70	128.30
Lowest share price	114.50	117.70	96.32

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

** 0.05% 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.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 97.77% (31/08/22 – 96.73%)			
Oil & Gas – 11.26% (31/08/22 – 11.34%)			
Alternative Energy – 0.07%			
1,030,586	Bluefield Solar Income Fund	1,169	0.02
713,166	Volution	2,721	0.05
Oil & Gas Producers – 11.11%			
45,396,228	BP	221,307	3.82
740,020	Harbour Energy	1,850	0.03
14,592	Ithaca Energy	21	–
17,427,191	Shell	420,257	7.26
Oil Equipment & Services – 0.08%			
2,732,297	John Wood	4,363	0.08
Total Oil & Gas		651,688	11.26
Basic Materials – 6.78% (31/08/22 – 7.50%)			
Chemicals – 0.57%			
344,456	Croda International	19,014	0.33
593,204	Elementis	677	0.01
533,222	Johnson Matthey	8,692	0.15
926,763	Synthomer	593	0.01
262,928	Victrex	3,947	0.07
Forestry & Paper – 0.11%			
504,198	Mondi	6,625	0.11
Industrial Metals – 0.00%			
41,877	Ferrexpo	32	–
Mining – 6.10%			
3,103,898	Anglo American	65,182	1.13
834,385	Antofagasta	12,078	0.21
457,680	Endeavour Mining	7,382	0.13
323,141	Fresnillo	1,859	0.03
31,765,235	Glencore	133,859	2.31
2,719,856	Rio Tinto	132,525	2.29
Total Basic Materials		392,465	6.78
Industrials – 12.07% (31/08/22 – 10.24%)			
Construction & Materials – 1.67%			
2,211,052	Balfour Beatty	7,235	0.12
1,601,246	CRH	72,729	1.26
728,227	Genuit Group	2,319	0.04
967,193	Ibstock	1,439	0.02
13,474	Keller	103	–
544,507	Marshalls	1,497	0.03
142,297	Morgan Sindall	2,806	0.05
478,105	Redrow	2,272	0.04
646,744	Travis Perkins	5,572	0.10
223,613	Tyman	656	0.01
Aerospace & Defence – 2.34%			
7,900,200	BAE Systems	79,595	1.38
735,815	Chemring	2,127	0.04
1,596,185	QinetiQ	5,322	0.09
21,738,938	Rolls-Royce	48,304	0.83
87,649	Senior	158	–
General Industrials – 0.85%			
3,383,936	Coats Group	2,592	0.05
2,210,106	Smith (DS)	6,900	0.12
1,047,172	Smiths Group	17,174	0.30
600,072	Smurfit Kappa	19,934	0.34
567,646	Vesuvius	2,502	0.04
Electronic & Electrical Equipment – 0.81%			
1,012,057	Halma	21,688	0.37
334,636	Morgan Advanced Materials	880	0.02
139,609	Oxford Instruments	3,085	0.05

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
76,123	Renishaw	2,768	0.05
2,780,202	Rotork	8,363	0.14
304,605	Spectris	10,128	0.18
Industrial Engineering – 0.89%			
529,837	Bodycote	3,494	0.06
227,787	Hill & Smith	4,077	0.07
809,492	IMI	12,159	0.21
180,101	Spirax-Sarco Engineering	18,244	0.31
753,745	Weir	13,824	0.24
Industrial Transportation – 0.11%			
86,329	Clarkson	2,335	0.04
1,696,492	Royal Mail	4,122	0.07
Support Services – 5.40%			
1,155,980	Ashtead Group	63,833	1.10
1,382,941	Babcock International	5,338	0.09
933,641	Bunzl	26,413	0.46
561,381	CMC Markets	595	0.01
298,787	DCC	12,929	0.22
317,248	Diploma	9,936	0.17
69,974	discoverIE Group	510	0.01
367,160	Essentra	542	0.01
150,789	Eurowag	136	–
2,374,180	Experian	65,575	1.13
611,596	Grafton	5,275	0.09
5,528,841	Hays	5,916	0.10
1,511,042	Howdens Joinery	11,176	0.19
649,816	IntegraFin	1,560	0.03
2,012,202	International Workplace	3,604	0.06
431,864	Intertek	17,879	0.31
3,607,367	Melrose Industries	18,491	0.32
3,994,771	Mitie Group	3,883	0.07
918,182	PageGroup	3,845	0.07
801,858	Redde Northgate	2,574	0.05
6,452,272	Rentokil Initial	38,752	0.67
1,333,272	RS Group	10,130	0.18
2,238,931	Serco Group	3,421	0.06
8,390	SThree	30	–
Total Industrials		698,746	12.07
Consumer Goods – 15.40% (31/08/22 – 16.39%)			
Automobiles & Parts – 0.13%			
736,549	Aston Martin Lagonda Global	2,624	0.04
3,672,108	Dowlais Group	4,172	0.07
752,080	TI Fluid Systems	952	0.02
Beverages – 3.57%			
77,697	Barr (AG)	378	0.01
942,534	Britvic	8,285	0.14
2,107,204	C&C Group	2,874	0.05
433,369	Coca-Cola HBC	9,872	0.17
5,705,208	Diageo	185,048	3.20
Food Producers – 0.59%			
857,673	Associated British Foods	17,085	0.30
160,217	Cranwick	5,399	0.09
252,547	Hilton Food	1,700	0.03
2,303,685	Premier Foods	2,834	0.05
2,999,599	SSP Group	7,049	0.12
Household Goods – 2.80%			
2,714,926	Barratt Developments	12,304	0.21
333,141	Bellway	7,116	0.12
286,151	Berkeley	11,618	0.20
667,326	Crest Nicholson	1,205	0.02
816,810	Persimmon	8,707	0.15
1,805,804	Reckitt Benckiser	102,931	1.78
9,185,660	Taylor Wimpey	10,495	0.18
985,239	Vistry Group	7,710	0.14

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Consumer Goods – 15.40% (31/08/22 – 16.39%) – continued			
Leisure Goods – 0.15%			
81,908	Games Workshop	8,854	0.15
Personal Goods – 4.97%			
1,036,809	Burberry	22,644	0.40
1,626,825	Dr. Martens	2,557	0.04
450,768	PZ Cussons	715	0.01
6,476,773	Unilever	261,791	4.52
Tobacco – 3.19%			
5,568,497	British American Tobacco	146,006	2.52
2,153,502	Imperial Brands	38,537	0.67
Total Consumer Goods		891,462	15.40
Healthcare – 11.26% (31/08/22 – 11.02%)			
Healthcare Equipment & Services – 1.37%			
4,073,299	ConvaTec	9,466	0.16
13,424,160	Haleon	43,293	0.75
332,156	NMC Health**	–	–
2,323,176	Smith & Nephew	24,846	0.43
962,420	Spire Healthcare	2,088	0.03
Pharmaceuticals & Biotechnology – 9.89%			
3,753,087	AstraZeneca	400,079	6.91
287,288	Dechra Pharmaceuticals	10,934	0.19
150,652	Genus	3,507	0.06
10,239,450	GSK	142,205	2.46
413,444	Hikma Pharmaceuticals	9,050	0.16
315,028	Indivior	5,730	0.10
415,397	PureTech Health	823	0.01
Total Healthcare		652,021	11.26
Consumer Services – 11.20% (31/08/22 – 9.67%)			
Food & Drug Retailers – 1.44%			
245,114	Greggs	6,040	0.11
1,461,246	Ocado	12,736	0.22
4,965,731	Sainsbury (J)	13,407	0.23
19,209,343	Tesco	51,039	0.88
General Retailers – 1.75%			
2,074,524	B&M European Value Retail	11,978	0.21
3,113,549	Currys	1,557	0.03
338,384	Dunelm	3,932	0.07
364,569	Frasers Group	2,938	0.05
1,223,633	Inchcape	9,336	0.16
6,563,434	JD Sports Fashion	9,533	0.17
5,278,039	Kingfisher	12,351	0.21
5,465,272	Marks & Spencer	12,390	0.21
332,639	Next	23,238	0.40
1,150,209	Pets at Home	4,341	0.08
641,621	Watches of Switzerland Group	3,734	0.06
405,816	WH Smith	5,949	0.10
Media – 3.66%			
71,259	4imprint	3,620	0.06
1,075,121	Ascential	2,157	0.04
340,500	Future	2,642	0.04
3,779,983	Informa	27,624	0.48
11,486,451	ITV	8,130	0.14
1,680,461	Moneysupermarket.com	4,174	0.07
1,805,717	Pearson	15,150	0.26
4,872,494	RELX	125,564	2.17
3,002,643	WPP	22,988	0.40

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Travel & Leisure – 4.35%			
4,537,599	Compass Group	90,434	1.56
1,550,507	Domino's Pizza	6,121	0.10
1,788,484	Entain	20,693	0.36
2,270,004	Firstgroup	3,294	0.06
476,606	Flutter Entertainment	68,655	1.18
347,497	Intercontinental Hotels	20,690	0.36
2,565,356	International Consolidated Airlines (IAG)	4,156	0.07
849,203	Mitchells & Butlers	1,873	0.03
1,452,529	National Express	1,216	0.02
1,085,671	TUI	5,105	0.09
396,740	Wetherspoon (JD)	2,859	0.05
719,718	Whitbread	24,744	0.43
100,681	Wizz Air Holdings	2,267	0.04
Total Consumer Services		648,655	11.20
Telecommunications – 1.26% (31/08/22 – 2.02%)			
Fixed Line Telecommunications – 0.49%			
2,280,542	Airtel Africa	2,600	0.05
18,607,344	BT Group	21,501	0.37
1,289,954	Helios Towers	1,175	0.02
193,557	Telecom Plus	3,074	0.05
Mobile Telecommunications – 0.77%			
61,073,805	Vodafone	44,706	0.77
Total Telecommunications		73,056	1.26
Utilities – 3.35% (31/08/22 – 3.41%)			
Electricity – 0.88%			
1,045,838	Drax	5,773	0.10
2,778,882	SSE	45,199	0.78
Gas, Water & Multiutilities – 2.47%			
15,223,767	Centrica	23,064	0.40
8,672,652	National Grid	85,877	1.48
665,968	Pennon Group	4,292	0.07
544,412	Severn Trent	13,066	0.23
1,742,251	United Utilities	16,499	0.29
Total Utilities		193,770	3.35
Financials – 23.72% (31/08/22 – 23.12%)			
Banks – 8.91%			
7,867	Bank of Georgia	274	0.01
39,491,418	Barclays	58,195	1.01
51,201,835	HSBC	298,558	5.16
171,332,538	Lloyds Banking Group	72,568	1.25
13,834,602	Natwest Group	31,875	0.55
6,282,731	Standard Chartered	44,708	0.77
129,171	TBC Bank	3,668	0.06
3,610,957	Virgin Money UK	5,873	0.10
Non-Life Insurance – 0.82%			
691,430	Admiral	17,203	0.30
1,798,530	Beazley	9,811	0.17
3,912,227	Direct Line Insurance	6,340	0.11
957,573	Hiscox	9,547	0.17
744,136	Lancashire	4,253	0.07
Life Insurance – 2.84%			
7,542,782	Aviva	28,301	0.49
4,251,125	Just Group	3,201	0.05
15,506,170	Legal & General	33,897	0.58
1,846,753	Phoenix Group	9,622	0.17
7,021,509	Prudential	67,842	1.17
1,365,555	St James's Place Capital	12,080	0.21
5,836,151	Standard Life Aberdeen	9,633	0.17

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Financials – 23.72% (31/08/22 – 23.12%) – continued							
Equity Investment Instruments – 3.63%							
1,178,723	3i Infrastructure	3,625	0.06	1,673,557	Hipgnosis Songs Fund	1,302	0.02
306,210	Aberforth Smaller Companies Trust	3,748	0.06	250,292	JLEN Environmental Assets	246	–
174,175	Abrdn Private Equity Opportunities Trust	744	0.01	86,089	JPMorgan Global Growth and Income	402	0.01
1,880,824	AVI Global Trust	3,705	0.06	1,954,210	Murray International Trust	4,798	0.08
299,119	Baillie Gifford Japan Investment Trust	2,184	0.04	432,738	Pershing Square Holdings	12,930	0.22
76,801	BlackRock Smaller Companies Investment Trust	972	0.02	6,405,032	Renewables Infrastructure	6,956	0.12
29,913	BlackRock Throgmorton Investment Trust	167	–	359,320	Savills	3,272	0.06
762,362	BlackRock World Mining Investment Trust	4,483	0.08	2,724,137	Sirius Real Estate	2,373	0.04
108,645	Caledonia Investments	3,591	0.06	1,505,671	Target Healthcare	1,093	0.02
33,162	Capital Gearing Trust	1,507	0.03	944,626	TwentyFour Income	923	0.02
1,401,037	City of London Investment Trust 'A'	5,492	0.10	2,559,655	Witan Investments	5,721	0.10
567,182	Edinburgh Investment Trust	3,664	0.06	1,700,130	Worldwide Healthcare Trust	5,253	0.09
354,607	Edinburgh Worldwide Investment Trust	535	0.01	Real Estate Investment Trusts – 1.85%			
266,379	European Opportunities Trust	2,126	0.04	7,413,107	Assura	3,401	0.06
1,742,001	F&C Investment Trust	15,086	0.26	963,522	Balanced Commercial Property Trust	666	0.01
1,332,482	Fidelity China Special Situations Investment Trust	2,792	0.05	497,249	Big Yellow	5,340	0.09
318,000	Fidelity Emerging Markets	1,868	0.03	2,678,741	British Land	8,668	0.15
1,070,307	Fidelity European Values	3,757	0.06	6,021,437	Capital & Counties Properties	7,075	0.12
687,260	Fidelity Special Values	1,835	0.03	424,483	CLS	537	0.01
438,843	Finsbury Growth & Income Trust	3,800	0.07	338,484	Derwent London	6,289	0.11
2,821,445	GCP Infrastructure Investments	2,116	0.04	675,019	Great Portland Estates	2,836	0.05
6,232,801	Greencoat UK Wind	8,826	0.15	10,375,263	Hammerson	2,492	0.04
220,325	HarbourVest Global Private Equity	4,924	0.09	1,986,912	Land Securities	11,969	0.21
232,059	Henderson Smaller Companies Investment Trust	1,662	0.03	3,174,037	LondonMetric Property	5,748	0.10
163,557	Herald Investment Trust	2,892	0.05	1,780,652	LXI	1,662	0.03
196,323	ICG Enterprise Trust	2,116	0.04	2,073,040	Primary Health Properties	1,949	0.03
728,252	Impax Environmental Markets	2,888	0.05	578,150	Safestore	4,998	0.09
474,694	JPMorgan American Investment Trust	3,817	0.07	3,065,184	Segro	22,603	0.39
3,680,134	JPMorgan Emerging Markets Investment Trust	3,872	0.07	5,106,119	Supermarket Income REIT	3,942	0.07
497,218	JPMorgan European Discovery Trust	1,917	0.03	5,170,841	Tritax Big Box	7,301	0.13
11,057	JPMorgan Indian Investment Trust	92	–	650,258	Tritax EuroBox	351	–
298,669	JPMorgan Japanese Investment Trust	1,420	0.02	1,962,329	UK Commercial Property Trust	1,058	0.02
1,531,693	Jupiter Fund Management	1,523	0.03	653,366	Unite Group	6,142	0.11
387,905	Law Debenture	3,099	0.05	143,823	Urban Logistics REIT	169	–
44,337	Merchants Trust	237	–	76,890	Warehouse REIT	65	–
581,003	Monks Investment Trust	5,624	0.10	371,210	Workspace	1,863	0.03
224,800	Murray Income Trust	1,841	0.03	Financial Services – 4.53%			
65,335	NB Private Equity Partners	1,000	0.02	2,456,937	3i Group	48,979	0.85
1,335,721	NextEnergy Solar Fund	1,179	0.02	339,054	AJ Bell	983	0.02
8,198	Pacific Horizon	45	–	597,067	Allianz Technology Trust	1,600	0.03
1,618,753	Pantheon International	4,508	0.08	1,039,825	Apax Global Alpha	1,747	0.03
560,725	Personal Assets Trust	2,610	0.05	1,575,974	Ashmore	3,057	0.05
270,129	Polar Capital Technology Trust	6,091	0.11	3,503,036	Bankers Investment Trust	3,408	0.06
300,894	RIT Capital Partners	5,753	0.10	2,481,543	BBGI Global Infrastructure	3,459	0.06
545,350	Schroder Asia Pacific Fund	2,631	0.05	535,169	Bridgepoint	935	0.02
951,928	Schroder Oriental Income Fund	2,327	0.04	383,266	Close Brothers	3,145	0.05
489,508	Scottish American Investment Trust	2,482	0.04	508,989	Finabl ^{r+}	–	–
3,491,049	Scottish Mortgage Investment Trust	23,935	0.41	935,022	Hargreaves Lansdown	7,117	0.12
971,371	SDCL Energy Efficiency Income Trust	718	0.01	959,780	IG Group	6,493	0.11
5,091,183	Sequoia Economic Infrastructure Income Fund	4,236	0.07	769,592	Intermediate Capital Group	10,409	0.18
268,236	Smithson Investment Trust	3,637	0.06	3,965,694	International Public Partnership	5,219	0.09
886,345	Temple Bar Investment Trust	2,016	0.03	1,806,151	Investec	8,440	0.15
4,019,029	Templeton Emerging Markets Investment Trust	5,892	0.10	3,596,997	IP	2,111	0.04
988,119	The Alliance Trust	10,296	0.18	357,915	JTC	2,493	0.04
1,978,791	The Global Smaller Companies	2,826	0.05	152,143	Liontrust Asset Management	1,003	0.02
2,026,942	The Mercantile Investment Trust	4,001	0.07	1,070,144	London Stock Exchange	87,474	1.51
1,155,807	TR Property Investment Trust	3,288	0.06	5,869,724	M&G	11,197	0.19
602,165	Vietnam Enterprise Investments	3,643	0.06	3,288,203	Man Group	6,961	0.12
557,146	VinaCapital Vietnam Opportunity Fund	2,490	0.04	338,076	Molten Ventures	823	0.01
Real Estate Investment Services – 1.14%							
805,940	BB Healthcare Trust	1,198	0.02	1,233,225	Network International Holdings	4,782	0.08
302,421	BH Macro	1,054	0.02	1,332,113	Ninety One	2,282	0.04
3,138,298	Digital 9 Infrastructure	1,858	0.03	169,547	Octopus Renewables	149	–
145,897	Foresight Solar Fund	135	–	1,188,687	OSB Group	4,056	0.07
2,182,954	Grainger	5,156	0.09	669,330	Paragon Banking Group	3,524	0.06
1,223,488	HG Capital Trust	4,759	0.08	638,779	Petershill Partners	1,117	0.02
4,982,298	HICL Infrastructure	6,666	0.12	239,483	Plus500	3,420	0.06
				4,133,802	Quilter	3,532	0.06
				182,556	Rathbones Group	3,213	0.06
				1,095,577	Ruffer	2,942	0.05
				2,321,426	Schroders	9,557	0.17
				1,171,637	Syncona	1,542	0.03
				292,293	The European Smaller Companies Trust	449	0.01
				2,532,603	TP ICAP	4,181	0.07
				206,988	Vanquis Banking	214	–
				Total Financials		1,372,832	23.72

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Technology – 1.47% (31/08/22 – 2.02%)			
Software & Computer Services – 1.43%			
144,502	Auction Technology	1,023	0.02
2,377,187	Auto Trader	14,415	0.25
176,766	Baltic Classifieds Group	372	0.01
615,655	Bytes Technology Group	2,986	0.05
223,116	Computacenter	4,864	0.08
1,054,499	Darktrace	3,792	0.07
150,116	FDM	863	0.01
222,200	Kainos	2,698	0.05
1,121,453	Playtech	5,888	0.10
2,022,379	Rightmove	11,325	0.20
2,655,715	Sage	25,787	0.44
322,497	Softcat	4,850	0.08
1,695,881	Trainline	3,941	0.07
Technology Hardware & Equipment – 0.04%			
1,374,201	Spirent Communications	2,155	0.04
Total Technology		84,959	1.47
Futures – (0.02)% (31/08/22 – 0.02%)			
1,716	ICF FTSE® 100 Index Future September 2023	(1,139)	(0.02)
Total Futures		(1,139)	(0.02)
Total value of investments**		5,658,515	97.75
Net other assets		130,032	2.25
Total net assets		5,788,547	100.00

** Including investment liabilities

* 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 2023

Significant Purchases

	Cost £'000
Rentokil Initial	9,746
Reckitt Benckiser	9,238
RELX	8,452
Anglo American	7,698
Unilever	7,469
GSK	7,117
Ashtead Group	6,871
F&C Investment Trust	4,553
London Stock Exchange	4,237
Beazley	4,183
Subtotal	69,564
Total cost of purchases, including the above, for the year	210,675

Significant Sales

	Proceeds £'000
Shell	85,006
AstraZeneca	78,458
Unilever	51,170
Glencore	46,474
HSBC	45,585
BP	42,515
Diageo	35,182
British American Tobacco	26,555
Compass Group	21,808
National Grid	20,428
Subtotal	453,181
Total proceeds from sales, including the above, for the year	1,099,618

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital gains/ (losses)	2	164,336	(112,315)
Revenue	3	233,063	241,358
Expenses	4	(1,985)	(2,094)
Interest payable and similar charges		(6)	(49)
Net revenue before taxation		231,072	239,215
Taxation	5	280	(1,187)
Net revenue after taxation		231,352	238,028
Total return before distributions		395,688	125,713
Distributions	6	(225,138)	(232,267)
Change in net assets attributable to shareholders from investment activities		170,550	(106,554)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		5,659,654	6,396,580
Current assets:			
Debtors	7	50,174	55,061
Cash and bank balances	8	80,411	160,125
Total assets		5,790,239	6,611,766
Liabilities			
Investment liabilities		1,139	–
Creditors:			
Other creditors	9	299	519
Distribution payable		254	112
Total liabilities		1,692	631
Net assets attributable to shareholders		5,788,547	6,611,135

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	6,611,135	6,815,832
Amounts receivable on creation of shares	44,947	224,997
Amounts payable on cancellation of shares	(1,250,807)	(553,036)
	(1,205,860)	(328,039)
Dilution adjustment charged	881	1,559
Change in net assets attributable to shareholders from investment activities	170,550	(106,554)
Retained distribution on accumulation shares	211,841	228,337
Closing net assets attributable to shareholders	5,788,547	6,611,135

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains/(losses)

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	151,451	(125,358)
Derivative securities	12,636	13,015
Currency gains	250	28
Activity fees	(1)	–
Net capital gains/(losses)	164,336	(112,315)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	206,314	218,209
Overseas dividends	10,234	12,775
Interest on debt securities	101	84
Property investment income (PID)	3,979	3,053
Bank interest	5,095	777
Interest received on amounts held with brokers	351	–
Stock lending income	777	696
Stock dividends	6,212	5,764
Total revenue	233,063	241,358

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	1,985	2,094
Total expenses	1,985	2,094

* Audit fee £17,464 (31/08/22: £16,632) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Corporation tax	150	–
Irrecoverable overseas tax	156	420
Reclaimable tax written off	289	787
Windfall overseas tax recoveries	(875)	(20)
Current tax charge for the year	(280)	1,187

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	231,072	239,215
Corporation tax at 20% (31/08/22: 20%)	46,214	47,843

Effects of:

Revenue not subject to taxation	(44,551)	(47,350)
Current year expenses not utilised	(1,513)	(493)
Irrecoverable overseas tax	156	420
Reclaimable tax written off	289	787
Windfall overseas tax recoveries	(875)	(20)
Current tax charge for the year	(280)	1,187

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is no potential deferred tax asset (31/08/22: £1,513,000) in relation to surplus management expenses.

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Interim	75,101	74,305
Final	136,740	154,032
	211,841	228,337
Income shares		
Interim	57	177
Final	254	112
	311	289
	212,152	228,626
Add: Amounts deducted on cancellation of shares	13,535	4,532
Deduct: Amounts received on the creation of shares	(549)	(891)
Net distributions for the year	225,138	232,267

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	231,352	238,028
Movement in income carried forward	(2)	3
Stock dividend charged to capital	(6,212)	(5,764)
Net distributions for the year	225,138	232,267

Details of the distribution per share are set out on page 69.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	48	149
Sales awaiting settlement	7,521	–
Accrued revenue	42,386	54,336
Overseas withholding tax recoverable	219	576
Total debtors	50,174	55,061

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	73,171	149,445
Amounts held at futures clearing houses and brokers	7,240	10,680
Total cash and bank balances	80,411	160,125

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	–	345
Accrued expenses	149	174
Corporation tax payable	150	–
Total other creditors	299	519

10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/22	5,000	5,637,184,818
Shares issued	–	29,755,008
Shares cancelled	–	(1,000,906,243)
Closing shares at 31/08/23	5,000	4,666,033,583

	Class Z Accumulation	Class Z Income
Opening shares at 01/09/22	9,205,944	3,873,960
Shares issued	3,032,248	2,278,231
Shares cancelled	(1,336,041)	(672,579)
Closing shares at 31/08/23	10,902,151	5,479,612

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 (31/08/22: 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 £101,000 (31/08/22: £370,000).

At the year end, 31 August 2023, 98.92% (31/08/22: 99.55%) 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.

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 £194,000 (Gross: £971,000) (31/08/22: £174,000 (Gross: £870,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £373,296,000 (31/08/22: £337,275,000).

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

Asset class	31 Aug 2023	31 Aug 2022
	Collateral Held £'000	Collateral Held £'000
Equity	248,422	189,239
Bonds	149,721	171,789

The aggregate value of collateral held at the balance sheet date was £398,143,000 (31/08/22: £361,028,000).

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, Bank of Nova Scotia, Banco Santander, BNP Paribas Arbitrage, Citigroup Global Markets, HSBC Bank, JP Morgan Securities, Merrill Lynch International, Morgan Stanley Securities, Natixis, Skandinaviska Enskilda Banken, Societe Generale 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.

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 2023 there was no collateral held in respect of the above derivatives (31/08/22: same).

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 63. 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 2023 £'000	31 Aug 2022 £'000
Sterling	5,765,154	6,592,584
Canadian dollar	201	227
Euro	113	458
US dollar	23,079	17,866
Total	5,788,547	6,611,135

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 £2,339,000 (31/08/22: £1,855,000). 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 £2,339,000 (31/08/22: £1,855,000). 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 £565,851,000 (31/08/22: £639,658,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £565,851,000 (31/08/22: £639,658,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £73,171,000 (31/08/22: £149,445,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.26% of the current Net Asset Value and 2.26% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

16. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	204,493	–	–	46	0.02	874	0.43	205,413
Corporate actions	5,262	–	–	–	–	–	–	5,262
Total	209,755	–		46		874		210,675

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	1,026,696	40	–	–	–	1	–	1,026,655
Corporate actions	72,963	–	–	–	–	–	–	72,963
Total	1,099,659	40		–		1		1,099,618

The Fund had paid £49,000 as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.02%

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
Total	348,052	6		564		966		349,588

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
Total	513,427	3		–		–		513,424

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%

At the balance sheet date the portfolio dealing spread was 0.05% (31/08/22: 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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	5,388,072	–	–	5,388,072
Collective investment schemes	271,582	–	–	271,582
Total	5,659,654	–	–	5,659,654
Investment liabilities				
Derivatives	(1,139)	–	–	(1,139)
Total	(1,139)	–	–	(1,139)

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	6,089,166	–	–	6,089,166
Pooled investment scheme	305,887	–	–	305,887
Derivatives	1,527	–	–	1,527
Total	6,396,580	–	–	6,396,580

18. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £5,835,973,667. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 0.80%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class P Accumulation				
Group 1	1.2573	–	1.2573	1.2086
Group 2	1.2573	0.0000	1.2573	1.2086
Class R Accumulation				
Group 1	1.3307	–	1.3307	1.2688
Group 2	1.0439	0.2868	1.3307	1.2688
Class Z Accumulation				
Group 1	2.1876	–	2.1876	2.0854
Group 2	1.3972	0.7904	2.1876	2.0854
Class Z Income				
Group 1	1.3541	–	1.3541	1.3354
Group 2	0.9551	0.3990	1.3541	1.3354

Final

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class P Accumulation				
Group 1	2.7970	–	2.7970	2.6180
Group 2	2.7970	0.0000	2.7970	2.6180
Class R Accumulation				
Group 1	2.9153	–	2.9153	2.7250
Group 2	1.0388	1.8765	2.9153	2.7250
Class Z Accumulation				
Group 1	6.5217	–	6.5217	4.5544
Group 2	3.4984	3.0233	6.5217	4.5544
Class Z Income				
Group 1	4.6357	–	4.6357	2.8873
Group 2	3.3171	1.3186	4.6357	2.8873

Royal London US Equity Tilt Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London US Equity Tilt Fund, Class P Accumulation	5.20	38.79	–
Royal London US Equity Tilt Fund, Class R Accumulation	5.31	39.11	–
Royal London US Equity Tilt Fund, Class S Accumulation	5.30	39.04	–
Royal London US Equity Tilt Fund, Class X Accumulation	5.28	–	–
Royal London US Equity Tilt Fund, Class Z Accumulation	5.21	38.54	69.63
FTSE® World USA Price Return (Inception to 8th Aug 21)	5.87	36.67	62.31
FTSE® World USA Net Return (Since 9th Aug 21)			
IA North America TR	4.16	34.32	57.67

Class R Accumulation launched on 27 September 2018, Class S Accumulation launched on 23 April 2019, Class P Accumulation launched on 21 May 2019 and Class X Accumulation launched on 15 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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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. 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 its benchmark, the FTSE® World USA Net Return Index, was 0.10% 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.

The Fund has achieved its objective to achieve carbon intensity of at least 30% lower than that of the Fund's benchmark.

Market overview

Over the past 12 months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Manager's Investment Report (continued)

Portfolio commentary

In August 2021, RLAM started transitioning its passive equity funds from index trackers to ESG (Environmental, Social and Governance) 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 Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class P Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	157.78	153.75	120.60
Return before operating charges*	9.95	4.22	33.30
Operating charges	(0.19)	(0.19)	(0.15)
Return after operating charges*	9.76	4.03	33.15
Distributions on accumulation shares	(2.00)	(1.76)	(1.49)
Retained distributions on accumulation shares	2.00	1.76	1.49
Closing net asset value per share	167.54	157.78	153.75
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	6.19%	2.62%	27.49%
Other information			
Closing net asset value (£'000)	6	6	5
Closing number of shares	3,569	3,569	3,569
Operating charges	0.11%	0.11%	0.11%
Direct transaction costs	–	–	–
Prices[^]			
Highest share price	168.40	166.60	154.20
Lowest share price	146.10	139.00	116.60

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	162.03	157.76	123.70
Return before operating charges*	10.22	4.33	34.12
Operating charges	(0.06)	(0.06)	(0.06)
Return after operating charges*	10.16	4.27	34.06
Distributions on accumulation shares	(2.18)	(1.94)	(1.63)
Retained distributions on accumulation shares	2.18	1.94	1.63
Closing net asset value per share	172.19	162.03	157.76
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	6.27%	2.71%	27.53%
Other information			
Closing net asset value (£'000)	1,071,006	7,831,852	7,724,458
Closing number of shares	621,981,920	4,833,718,611	4,896,387,727
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	–	–	–
Prices[^]			
Highest share price	173.10	171.00	158.20
Lowest share price	150.10	142.70	119.50

Class S Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	158.56	154.40	121.00
Return before operating charges*	10.02	4.24	33.47
Operating charges	(0.08)	(0.08)	(0.07)
Return after operating charges*	9.94	4.16	33.40
Distributions on accumulation shares	(2.12)	(1.88)	(1.59)
Retained distributions on accumulation shares	2.12	1.88	1.59
Closing net asset value per share	168.50	158.56	154.40
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	6.27%	2.69%	27.60%
Other information			
Closing net asset value (£'000)	5,582	6,669	6,087
Closing number of shares	3,312,779	4,205,887	3,942,435
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	–	–	–
Prices[^]			
Highest share price	169.40	167.40	154.80
Lowest share price	146.90	139.70	117.00

Class X Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22** (p)
Opening net asset value per share	103.02	100.00
Return before operating charges*	6.50	3.04
Operating charges	(0.05)	(0.02)
Return after operating charges*	6.45	3.02
Distributions on accumulation shares	(1.37)	(0.73)
Retained distributions on accumulation shares	1.37	0.73
Closing net asset value per share	109.47	103.02
* after direct transaction costs of:	–	–
Performance		
Return after charges	6.26%	3.02%
Other information		
Closing net asset value (£'000)	3	3
Closing number of shares	2,500	2,500
Operating charges	0.07%	0.07%
Direct transaction costs	–	–
Prices[^]		
Highest share price	110.10	108.70
Lowest share price	95.42	90.76

** Class X Accumulation launched on 15 February 2022.

Comparative Tables (continued)

Class Z Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	583.57	568.77	446.70
Return before operating charges*	36.75	15.60	123.27
Operating charges	(0.81)	(0.80)	(1.20)
Return after operating charges*	35.94	14.80	122.07
Distributions on accumulation shares	(7.27)	(6.41)	(4.90)
Retained distributions on accumulation shares	7.27	6.41	4.90
Closing net asset value per share	619.51	583.57	568.77
* after direct transaction costs of:	0.01	–	0.01
Performance			
Return after charges	6.16%	2.60%	27.33%
Other information			
Closing net asset value (£'000)	19,141	23,290	15,661
Closing number of shares	3,089,699	3,991,048	2,753,398
Operating charges [#]	0.14%	0.14%	0.14%
Direct transaction costs	–	–	–
Prices[^]			
Highest share price	622.80	616.30	570.30
Lowest share price	540.30	514.20	431.70

[#] The FMF was reduced on 9 August 2021 to 0.14%.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 94.82% (31/08/22 – 99.31%)			
UNITED STATES – 91.65% (31/08/22 – 95.92%)			
Corporate Preference – 0.00% (31/08/22 – 0.01%)			
Oil & Gas – 4.10% (31/08/22 – 4.56%)			
Alternative Energy – 0.12%			
4,411	Enphase Energy	440	0.04
3,408	First Solar	509	0.05
18,360	Plug Power	123	0.01
1,864	SolarEdge Technologies	239	0.02
Oil & Gas Producers – 3.32%			
2,487	APA Corporation	86	0.01
8,030	Cheniere Energy	1,035	0.09
55,342	Chevron	7,033	0.64
169	Cobalt International Energy*	–	–
38,319	Conoco Phillips	3,600	0.33
25,372	Coterra Energy	564	0.05
23,141	Devon Energy	932	0.09
5,103	Diamondback Energy	611	0.06
20,997	EOG Resources	2,130	0.19
132,288	Exxon Mobil	11,604	1.06
8,450	Hess	1,030	0.09
21,061	Marathon Oil Corporation	438	0.04
12,913	Marathon Petroleum Corporation	1,454	0.13
21,871	Occidental Petroleum	1,083	0.10
4,304	Occidental Petroleum Warrants 3/8/2027	138	0.01
16,192	Phillips 66	1,459	0.13
8,285	Pioneer Natural Resources	1,555	0.14
4,212	Targa Resources	287	0.03
13,874	Valero Energy	1,421	0.13
Oil Equipment & Services – 0.66%			
36,824	Baker Hughes Company	1,051	0.10
70,304	Halliburton	2,142	0.20
15,780	ONEOK	812	0.07
54,432	Schlumberger	2,533	0.23
24,683	Williams Companies	673	0.06
Total Oil & Gas		44,982	4.10
Basic Materials – 1.15% (31/08/22 – 1.30%)			
Chemicals – 0.75%			
4,217	Air Products & Chemicals	983	0.09
4,431	Albemarle	694	0.06
2,705	Avery Dennison	402	0.04
3,518	Celanese 'A'	351	0.03
2,413	CF Industries Holdings	147	0.01
22,372	Dow	963	0.09
17,192	Dupont De Nemours	1,043	0.10
6,116	Eastman Chemicals	410	0.04
8,328	Ecolab	1,208	0.11
4,184	FMC	285	0.03
8,557	International Flavors & Fragrances	476	0.04
7,136	PPG Industries	798	0.07
14,278	The Mosaic Company	438	0.04
Forestry & Paper – 0.03%			
11,596	International Paper	319	0.03
Industrial Metals – 0.30%			
49,572	Freeport – McMoRan	1,561	0.14
8,273	Nucor	1,123	0.10
3,179	Southern Copper	202	0.02
4,902	Steel Dynamics	412	0.04
Mining – 0.07%			
26,299	Newmont Mining	818	0.07
Total Basic Materials		12,633	1.15

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Industrials – 8.37% (31/08/22 – 8.87%)			
Aerospace & Defence – 1.12%			
12,194	Arconic	476	0.04
18,227	Boeing	3,222	0.29
9,123	General Dynamics	1,632	0.15
1,223	Heico	163	0.02
2,555	Heico 'A'	273	0.03
226	Huntington Ingalls Industries	39	–
7,580	Lockheed Martin	2,681	0.24
4,491	Northrop Grumman	1,535	0.14
1,206	Teledyne Technologies	398	0.04
6,352	Textron	389	0.04
2,050	TransDigm	1,461	0.13
Construction & Materials – 0.59%			
29,121	Carrier Global	1,320	0.12
3,531	Fortune Brands Home & Security	192	0.02
2,140	Generac Holdings	201	0.02
4,993	Jacobs Solutions	531	0.05
1,117	Martin Marietta Materials	394	0.03
7,937	Masco	370	0.03
4,974	Quanta Services	824	0.08
8,610	Sherwin-Williams	1,846	0.17
4,342	Vulcan Materials	748	0.07
Electronic & Electrical Equipment – 1.16%			
9,891	Agilent Technologies	945	0.09
8,028	Ametek	1,011	0.09
18,249	Amphenol Corporation 'A'	1,272	0.12
3,017	Arrow Electronics	318	0.03
22,518	Emerson Electric	1,745	0.16
38,237	General Electric	3,455	0.31
5,942	Keysight Technologies	625	0.06
691	Mettler Toledo International	662	0.06
3,494	PerkinElmer	323	0.03
4,005	Roper Technologies	1,577	0.14
8,576	Trimble Navigation	371	0.03
1,786	Zebra Technologies 'A'	387	0.04
General Industrials – 1.05%			
17,922	3M Company	1,509	0.14
10,518	Ball Corporation	452	0.04
23,071	Danaher	4,826	0.44
8,105	Fortive	504	0.04
19,267	Honeywell International	2,857	0.26
2,077	Packaging Corporation of America	244	0.02
3,575	Parker-Hannifin	1,177	0.11
Industrial Engineering – 1.50%			
18,370	Caterpillar	4,076	0.37
4,164	Cummins	756	0.07
9,873	Deere & Co	3,202	0.29
5,484	Dover	642	0.06
3,323	Ilex	594	0.05
10,937	Illinois Tool Works	2,136	0.20
14,957	Ingersoll Rand	822	0.08
13,190	Otis Worldwide	890	0.08
18,501	Paccar	1,201	0.11
3,669	Rockwell Automation	904	0.08
6,744	Wabtec Corporation	599	0.05
7,682	Xylem Incorporated	628	0.06
Industrial Transportation – 1.21%			
3,851	CH Robinson Worldwide	275	0.02
58,587	CSX	1,396	0.13
6,183	Expeditors International	569	0.05
7,521	Fedex	1,549	0.14
2,642	Hunt (JB) Transport Services	392	0.04
7,342	Norfolk Southern	1,187	0.11
3,094	Old Dominion Freight Line	1,043	0.10
20,471	Union Pacific	3,563	0.32
24,284	United Parcel Services 'B'	3,247	0.30

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Industrials – 8.37% (31/08/22 – 8.87%) – continued			
Support Services – 1.74%			
12,454	Aramark Corporation	365	0.03
15,168	Automatic Data Processing	3,046	0.28
4,687	Broadridge Financial Solutions	689	0.06
2,870	Cintas	1,142	0.10
13,439	CoStar Group	869	0.08
19,137	Fastenal	870	0.08
10,410	Fidelity National Financial Ventures	340	0.03
17,718	Fidelity National Information	781	0.07
20,377	Fiserv	1,951	0.18
2,388	FleetCor Technologies	512	0.05
8,465	Global Payments	846	0.08
1,570	Grainger	885	0.08
10,717	Paychex	1,033	0.10
11,707	Republic Services	1,332	0.12
3,798	Robert Half International	222	0.02
5,554	TransUnion	356	0.03
1,835	United Rentals	690	0.06
4,359	Verisk Analytics	833	0.08
13,636	Waste Management	1,687	0.15
3,917	Willis Towers Watson	639	0.06
Total Industrials		91,714	8.37

Consumer Goods – 7.44% (31/08/22 – 8.66%)

Automobiles & Parts – 2.15%			
1,701	Autoliv	131	0.01
6,098	BorgWarner	196	0.02
130,357	Ford Motor	1,247	0.11
50,105	General Motors	1,325	0.12
8,312	Gentex	214	0.02
4,700	Genuine Parts	570	0.05
2,362	Lear Corporation	269	0.02
9,600	LKQ	398	0.04
21,264	Lucid Group	105	0.01
1,220	PHINIA	27	–
16,772	Rivian Automotive	301	0.03
92,431	Tesla Motors	18,825	1.72
Beverages – 1.47%			
6,913	Brown-Forman 'B'	361	0.03
136,166	Coca-Cola	6,428	0.58
5,133	Constellation Brands	1,055	0.10
6,022	Molson Coors Brewing 'B'	302	0.03
24,816	Monster Beverage Corporation	1,125	0.10
49,002	PepsiCo	6,880	0.63
Food Producers – 0.88%			
16,325	Archer Daniels Midland	1,021	0.09
6,495	Campbell Soup	214	0.02
15,850	ConAgra Foods	374	0.03
20,722	General Mills	1,106	0.10
6,102	Hershey	1,035	0.09
9,120	Hormel Foods	278	0.03
3,686	JM Smucker	422	0.04
8,682	Kellogg	418	0.04
23,565	Kraft Heinz	615	0.06
4,982	Lamb Weston Holdings	383	0.04
9,362	McCormick	606	0.06
47,544	Mondelez International 'A'	2,674	0.24
10,614	Tyson Foods A	446	0.04
Household Goods – 1.37%			
6,632	Church & Dwight	507	0.05
4,333	Clorox	535	0.05
10,429	DR Horton	979	0.09
8,336	Lennar	783	0.07
460	Lennar 'B'	39	–
1,580	Mohawk Industries	126	0.01
101	NVR	509	0.05
82,780	Procter & Gamble	10,083	0.92
7,443	PulteGroup	482	0.04

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
1,744	Snap-on	370	0.03
5,195	Stanley Black & Decker	387	0.04
1,723	Whirlpool	190	0.02
Leisure Goods – 0.35%			
25,222	Activision	1,830	0.17
7,974	Electronic Arts	755	0.07
3,658	Hasbro	208	0.02
1,273	Pool.com	367	0.03
5,914	Take Two Interactive	664	0.06
Personal Goods – 0.76%			
29,517	Colgate-Palmolive	1,711	0.15
7,578	Estee Lauder 'A'	960	0.09
10,994	Kimberly-Clark	1,118	0.10
3,897	Lululemon Athletica	1,171	0.11
39,802	Nike 'B'	3,193	0.29
11,679	VF	182	0.02
Tobacco – 0.46%			
30,179	Altria	1,053	0.10
52,040	Philip Morris International	3,945	0.36
Total Consumer Goods		81,498	7.44

Healthcare – 11.04% (31/08/22 – 12.18%)

Healthcare Equipment & Services – 4.45%			
1,390	Abiomed*	–	–
2,629	Align Technology	767	0.07
20,830	Avantor	356	0.03
18,052	Baxter International	578	0.05
10,441	Becton Dickinson	2,302	0.21
763	Bio-Rad Laboratories	241	0.02
49,993	Boston Scientific	2,128	0.20
16,708	Centene	813	0.07
10,543	Cigna Corporation	2,300	0.21
1,809	DaVita	146	0.01
7,704	Dentsply Sirona	225	0.02
12,378	DexCom	986	0.09
20,185	Edwards Lifesciences	1,218	0.11
8,407	Elevance Health	2,933	0.27
12,490	GE Healthcare	694	0.06
3,097	Fortrea Holdings	67	0.01
7,533	HCA Holdings	1,648	0.15
4,366	Henry Schein	264	0.03
9,103	Hologic	537	0.05
4,252	Humana	1,550	0.14
2,541	IDEXX Laboratories	1,024	0.09
2,322	Insulet	351	0.03
11,513	Intuitive Surgical	2,841	0.26
3,097	Laboratory Corporation of America	509	0.05
1,558	Masimo	140	0.01
1,895	Molina Healthcare	464	0.04
3,843	Quest Diagnostics	399	0.04
4,665	ResMed	587	0.05
11,551	Stryker	2,585	0.24
1,231	Teleflex	207	0.02
1,666	The Cooper Companies	487	0.05
12,677	Thermo Fisher Scientific	5,572	0.51
31,083	UnitedHealth	11,694	1.07
2,877	Universal Health Services 'B'	306	0.03
2,058	Waters	456	0.04
2,435	West Pharmaceutical Services	782	0.07
6,168	Zimmer Biomet	580	0.05
Pharmaceuticals & Biotechnology – 6.59%			
56,441	Abbott Laboratories	4,582	0.42
58,452	Abbvie	6,777	0.62
4,117	Alnylam Pharmaceuticals	642	0.06
18,935	Amgen	3,830	0.35
4,837	Biogen IDEC	1,020	0.09
6,084	BioMarin Pharmaceutical	439	0.04
5,427	Bio-Techne Corporation	336	0.03
75,014	Bristol Myers Squibb	3,650	0.33

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Healthcare – 11.04% (31/08/22 – 12.18%) – continued			
Pharmaceuticals & Biotechnology – 6.59% – continued			
5,446	Catalent	215	0.02
1,621	Charles River Laboratories	265	0.03
23,139	Corteva	922	0.08
15,886	Elanco Animal Health	153	0.01
28,379	Eli Lilly	12,415	1.13
5,587	Exact Sciences Corporation	369	0.03
40,942	Gilead Sciences	2,471	0.23
5,111	Illumina	666	0.06
3,411	Incyte Genomics	174	0.02
6,378	IQVIA Holding	1,120	0.10
81,626	Johnson & Johnson	10,416	0.95
85,178	Merck & Co	7,326	0.67
11,144	Moderna	994	0.09
9,232	Organon	160	0.02
187,488	Pfizer	5,236	0.48
3,416	Regeneron Pharmaceuticals	2,227	0.20
4,667	Seagen	759	0.07
8,583	Vertex Pharmaceuticals	2,359	0.22
40,558	Viatis	344	0.03
15,578	Zoetis	2,342	0.21
Total Healthcare		120,946	11.04
Consumer Services – 11.32% (31/08/22 – 12.49%)			
Food & Drug Retailers – 0.77%			
5,405	AmerisourceBergen	751	0.07
8,240	Cardinal Health	568	0.05
40,363	CVS Health	2,076	0.19
32,600	Keurig Dr Pepper	865	0.08
28,012	Kroger	1,025	0.09
4,908	McKesson HBOC	1,598	0.15
18,335	Sysco	1,008	0.09
27,483	Walgreens Boots Alliance	549	0.05
General Retailers – 7.37%			
1,530	Advance Auto Parts	83	0.01
301,918	Amazon.com	32,878	3.00
616	Autozone	1,232	0.11
7,637	Bath & Body Works	222	0.02
6,772	Best Buy	408	0.04
2,068	Burlington Stores	265	0.02
4,780	Carmax	308	0.03
28,546	Copart	1,010	0.09
14,857	Costco Wholesale	6,439	0.59
6,740	Dollar General	737	0.07
7,197	Dollar Tree	695	0.06
18,687	eBay	660	0.06
33,688	Home Depot	8,781	0.80
19,754	Lowe's	3,592	0.33
1,547	MercadoLibre	1,674	0.15
14,591	NetFlix	4,993	0.45
2,246	O'Reilly Automotive	1,665	0.15
39,745	PayPal	1,960	0.18
7,362	Rollins	230	0.02
11,108	Ross Stores	1,067	0.10
16,289	Target	1,627	0.15
41,235	TJX Companies	3,008	0.27
3,514	Tractor Supply Company	606	0.06
1,665	Ulta Beauty	545	0.05
47,521	Wal-Mart Stores	6,097	0.56
Media – 1.27%			
3,820	Charter Communications 'A'	1,320	0.12
139,109	Comcast 'A'	5,133	0.47
80,261	Discovery	832	0.07
1,340	FactSet Research Systems	461	0.04
9,802	Fox Corporation 'A'	256	0.02
4,500	Fox Corporation 'B'	108	0.01
15,777	Interpublic Group of Companies	406	0.04

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
4,226	Liberty Broadband 'C'	312	0.03
14,186	News Corporation (New) 'A'	240	0.02
5,250	News Corporation (New) 'B'	91	0.01
6,611	Omnicom	423	0.04
20,745	Paramount Global	247	0.02
26,507	Sirius XM Holdings	92	0.01
61,229	Walt Disney	4,043	0.37
Travel & Leisure – 1.91%			
13,985	Airbnb 'A'	1,451	0.13
3,403	American Airlines	40	–
5,697	Caesars Entertainment	248	0.02
968	Chipotle Mexican Grill	1,471	0.14
3,875	Darden Restaurants	475	0.04
452	Delta Airlines	15	–
1,171	Domino's Pizza	358	0.03
5,486	Expedia	469	0.04
6,928	Hilton Worldwide	813	0.08
11,341	Las Vegas Sands	491	0.05
5,563	Live Nation	371	0.03
8,671	Marriott International*	–	–
5,738	Marriott International New 'A'	921	0.09
24,733	McDonald's	5,486	0.50
10,049	MGM Resorts International	349	0.03
52,135	Raytheon Technologies	3,540	0.32
37,833	Starbucks	2,909	0.27
90	United Airlines Holdings	4	–
1,328	Vail Resorts	237	0.02
3,480	Wynn Resorts	278	0.03
9,397	Yum! Brands	960	0.09
Total Consumer Services		124,072	11.32
Telecommunications – 0.88% (31/08/22 – 1.29%)			
Fixed Line Telecommunications – 0.71%			
250,226	AT&T	2,921	0.27
7,141	L3Harris Technologies	1,004	0.09
141,121	Verizon Communications	3,896	0.35
Mobile Telecommunications – 0.17%			
17,012	T-Mobile	1,829	0.17
Total Telecommunications		9,650	0.88
Utilities – 2.13% (31/08/22 – 2.86%)			
Electricity – 1.40%			
2,380	Avangrid	65	0.01
11,630	Consolidation Edison	817	0.07
13,045	Constellation Energy	1,072	0.10
13,450	Dominion Energy	515	0.05
3,463	DTE Energy	283	0.03
32,984	Edison International	1,792	0.16
35,670	Eversource Energy	1,796	0.16
69,478	Exelon	2,200	0.20
18,251	FirstEnergy	519	0.05
63,369	NextEra Energy	3,340	0.30
9,708	NRG Energy	288	0.03
77,743	PG&E	999	0.09
27,212	Public Service Enterprise	1,311	0.12
5,588	Southern	299	0.03
Gas, Water & Multiutilities – 0.73%			
21,610	American Water Works	2,365	0.21
22,927	Atmos Energy	2,098	0.19
43,355	Centerpoint Energy	954	0.09
3,003	Duke Energy	210	0.02
15,645	Nisource	330	0.03
37,902	Sempra Energy	2,099	0.19
Total Utilities		23,352	2.13

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Financials – 13.43% (31/08/22 – 15.24%)			
Banks – 2.78%			
222,048	Bank of America	5,022	0.46
25,364	Bank of New York Mellon	898	0.08
67,503	Citigroup	2,199	0.20
16,875	Citizens Financial	374	0.03
4,706	Comerica	179	0.02
3,620	Commerce Bancshares	140	0.01
23,823	Fifth Third Bancorp	499	0.05
11,831	First Horizon National*	–	–
5,968	First Republic Bank*	–	–
49,290	Huntingdon Bancshares	432	0.04
96,503	JPMorgan Chase	11,142	1.02
34,257	KeyCorp	306	0.03
6,419	M&T Bank	633	0.06
14,405	PNC Financial Services	1,372	0.13
34,226	Regions Financial	495	0.05
2,088	Signature Bank*	–	–
1,897	SVB Financial Group*	–	–
46,631	Truist Financial	1,123	0.10
45,501	US Bancorp	1,311	0.12
122,582	Wells Fargo	3,991	0.36
5,955	Zions Bancorporation	167	0.02
Financial Services – 5.06%			
13,408	Ally Financial	293	0.03
22,113	American Express	2,755	0.25
3,431	Ameriprise Financial	914	0.08
4,503	BlackRock	2,488	0.23
25,232	Blackstone Group 'A'	2,118	0.19
13,994	Capital One Financial	1,130	0.10
274	Carlyle Group	7	–
3,766	Cboe Global Markets	444	0.04
13,082	Chicago Mercantile Exchange	2,092	0.19
7,266	Discover Financial Services	516	0.05
3,943	Equifax	643	0.06
12,610	Equitable Holdings	287	0.03
8,102	Franklin Resources	171	0.02
11,420	Goldman Sachs	2,952	0.27
21,000	Intercontinental Exchange	1,955	0.18
20,397	KKR & Company	1,011	0.09
1,452	LPL Financial Holdings	264	0.02
1,042	MarketAxess Holdings	198	0.02
28,127	Mastercard	9,155	0.84
5,946	Moody's	1,580	0.14
42,891	Morgan Stanley	2,881	0.26
2,590	MSCI	1,111	0.10
7,121	NASDAQ OMX	295	0.03
6,886	Northern Trust	413	0.04
6,156	Raymond James Financial	508	0.05
11,528	S&P Global	3,556	0.32
52,895	Schwab	2,469	0.23
2,802	SEI Investments	137	0.01
17,592	Square 'A'	800	0.07
12,235	State Street	664	0.06
20,427	Synchrony Financial	520	0.05
6,779	T Rowe Price	600	0.05
54,036	Visa 'A'	10,482	0.96
Life Insurance – 0.43%			
21,289	Aflac	1,253	0.11
3,012	Assurant	331	0.03
1,152	Globe Life	101	0.01
22,676	Metlife	1,134	0.10
10,027	Principal Financial	615	0.06
13,475	Prudential Financial	1,007	0.09
5,461	Voya Financial	300	0.03
Non-Life Insurance – 2.69%			
28,742	AIG	1,327	0.12
9,790	Allstate	833	0.08
11,491	Arch Capital	697	0.06
11	Berkshire Hathaway 'A'	4,737	0.43
43,126	Berkshire Hathaway 'B'	12,250	1.12
7,471	Brown & Brown	437	0.04
5,473	Cincinnati Financial	457	0.04

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
832	CNA Financial	26	–
7,260	Gallagher (Arthur J)	1,321	0.12
11,289	Hartford Financial Services	640	0.06
6,893	Loews	338	0.03
471	Markel	550	0.05
17,697	Marsh & McLennan	2,722	0.25
20,485	Progressive	2,158	0.20
6,534	Travelers	831	0.07
4,178	W.R. Berkley	204	0.02
Real Estate Investment Services – 0.30%			
8,755	CBRE	588	0.05
15,495	Crown Castle International	1,228	0.11
17,703	Tango Holding	1,220	0.11
151	Texas Pacific Land Corporation	223	0.02
2,222	Zillow Group	89	0.01
Real Estate Investment Trusts – 2.17%			
37,767	AGNC Investment Corporation	295	0.03
5,378	Alexandria Real Estate Equities	493	0.04
15,924	American Tower	2,278	0.21
18,667	Annaly Capital Management	298	0.03
5,301	AvalonBay Communities	769	0.07
6,931	Boston Properties	365	0.03
8,391	Digital Realty Trust	872	0.08
2,998	Equinix	1,847	0.17
7,639	Equity Lifestyle Properties	404	0.04
14,397	Equity Residential	736	0.07
2,284	Essex Property Trust	430	0.04
3,061	Extra Space Storage	311	0.03
3,496	Federal Realty Investment Trust	270	0.02
19,215	Healthpeak Properties	312	0.03
26,857	Host Marriott	335	0.03
19,116	Invitation Homes	514	0.05
10,768	Iron Mountain	540	0.05
22,898	Kimco Realty	342	0.03
3,864	Mid-America Apartment Communities	443	0.04
32,803	Prologis	3,214	0.29
5,728	Public Storage	1,249	0.11
23,772	Realty Income	1,052	0.10
7,030	Regency Centers	345	0.03
4,081	SBA Communications	723	0.06
11,726	Simon Property	1,050	0.09
4,099	Sun Communities	396	0.04
12,720	UDR	400	0.04
13,909	Ventas	479	0.04
33,635	VICI Properties REIT	818	0.07
18,089	Welltower	1,183	0.11
23,879	Weyerhaeuser	617	0.06
8,248	WP Carey	423	0.04
Total Financials		147,112	13.43
Technology – 31.77% (31/08/22 – 28.44%)			
Software & Computer Services – 17.15%			
15,291	Adobe	6,749	0.62
5,156	Akamai Techs	428	0.04
213,693	Alphabet 'A'	22,962	2.10
158,444	Alphabet 'C'	17,168	1.57
3,335	Ansys	839	0.08
7,138	Autodesk	1,249	0.11
4,888	Atlassian	786	0.07
3,334	Bill.com Holdings	303	0.03
1,244	Booking Holdings	3,045	0.28
8,730	Cadence Design Systems	1,656	0.15
4,711	CDW Corporation	785	0.07
4,505	Ceridian HCM Holding	258	0.02
9,924	Cloudflare	509	0.05
15,008	Cognizant Technology Solutions	848	0.08
33,844	Coupage	507	0.05
7,440	CrowdStrike Holdings 'A'	957	0.09
9,266	Datadog	705	0.06
6,561	DocuSign	260	0.02
10,307	DoorDash	684	0.06

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Technology – 31.77% (31/08/22 – 28.44%) – continued			
Software & Computer Services – 17.15% – continued			
1,665	EPAM Systems	340	0.03
3,816	Etsy	221	0.02
740	Fair Isaac	528	0.05
21,341	Fortinet	1,014	0.09
2,934	Gartner 'A'	810	0.07
5,420	GoDaddy	310	0.03
54,416	Hewlett Packard Enterprise	730	0.07
1,530	HubSpot	660	0.06
31,760	IBM	3,680	0.34
9,161	Intuit	3,916	0.36
3,233	Jack Henry & Associates	400	0.04
1,004	Leidos	77	0.01
9,998	Match Group	370	0.03
74,254	Meta Platforms	17,339	1.58
249,478	Microsoft	64,526	5.89
2,108	MongoDB	634	0.06
15,461	NortonLifeLock	247	0.02
5,298	Okta	349	0.03
53,521	Oracle	5,083	0.46
66,239	Palantir Technologies	783	0.07
9,855	Palo Alto Networks	1,891	0.17
1,706	Paycom	397	0.04
19,874	Pinterest	431	0.04
3,196	PTC	371	0.03
13,918	Roblox	311	0.03
31,638	Salesforce.com	5,528	0.50
6,773	ServiceNow	3,147	0.29
10,960	Snowflake	1,357	0.12
5,805	Splunk	556	0.05
25	SS&C Technologies	1	–
4,763	Synopsys	1,725	0.16
14,674	The Trade Desk 'A'	927	0.08
5,577	Twilio	280	0.03
1,512	Tyler Technologies	475	0.04
63,247	Uber Technologies	2,358	0.22
11,321	UiPath	141	0.01
9,888	Unity Software	289	0.03
5,234	Veeva Systems 'A'	862	0.08
3,526	VeriSign	578	0.05
7,040	VMware	937	0.09
6,538	Workday 'A'	1,261	0.12
5,715	Zillow Group	235	0.02
9,555	Zoom Video Communications A	535	0.05
9,943	ZoomInfo Technologies	141	0.01
2,945	Zscaler	363	0.03
Technology Hardware & Equipment – 14.62%			
53,402	Advanced Micro Devices	4,453	0.41
16,366	Analog Devices	2,347	0.21
500,413	Apple	74,192	6.77
27,819	Applied Materials	3,352	0.31
8,158	Arista Networks	1,257	0.11
13,558	Broadcom	9,866	0.90
144,866	Cisco Systems	6,556	0.60
23,045	Corning	597	0.05
2,280	F5 Networks	294	0.03
37,071	HP	869	0.08
142,254	Intel	3,946	0.36
11,131	Juniper Networks	256	0.02
4,566	KLA Tencor	1,808	0.17
4,799	Lam Research	2,659	0.24
3,452	Liberty Media Corporation	65	0.01
5,093	Liberty Media Corporation	98	0.01
28,593	Marvell Technology	1,313	0.12
15,233	Microchip Technology	984	0.09
36,478	Micron Technology	2,013	0.18
1,517	Monolithic Power Systems	624	0.06
5,503	Motorola Solutions	1,231	0.11
7,102	NetApp	430	0.04
79,616	Nvidia	31,016	2.83
13,987	ON Semiconductor	1,087	0.10

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
3,176	Qorvo	269	0.02
36,661	Qualcomm	3,313	0.30
5,092	Skyworks Solutions	437	0.04
5,456	Teradyne	464	0.04
31,646	Texas Instruments	4,196	0.38
9,108	Western Digital	323	0.03
Total Technology		348,127	31.77
Futures – 0.02% (31/08/22 – 0.02%)			
317	CME S&P 500 EMINI September 2023	185	0.02
Total Futures		185	0.02
Total United States		1,004,271	91.65
BERMUDA – 0.14% (31/08/22 – 0.13%)			
Consumer Goods – 0.05% (31/08/22 – 0.05%)			
6,209	Bunge	560	0.05
Financials – 0.09% (31/08/22 – 0.08%)			
2,801	Credicorp	313	0.03
1,330	Everest	378	0.04
1,768	RenaissanceRe Holdings	262	0.02
Total Bermuda		1,513	0.14
CANADA – 0.00% (31/08/22 – 0.00%)			
Consumer Services – 0.00% (31/08/22 – 0.00%)			
530	Sears Canada*	–	–
Total Canada		–	–
CAYMAN ISLANDS – 0.01% (31/08/22 – 0.01%)			
Technology – 0.01% (31/08/22 – 0.01%)			
1,801	GlobalFoundries	78	0.01
Total Cayman Islands		78	0.01
CHANNEL ISLANDS – 0.11% (31/08/22 – 0.15%)			
Consumer Goods – 0.07% (31/08/22 – 0.07%)			
9,484	Aptiv	759	0.07
Healthcare – 0.00% (31/08/22 – 0.03%)			
3,321	Novocure	58	–
Technology – 0.04% (31/08/22 – 0.05%)			
5,656	Amdocs	398	0.04
Total Channel Islands		1,215	0.11
IRELAND – 2.10% (31/08/22 – 2.07%)			
Basic Materials – 0.43% (31/08/22 – 0.36%)			
15,636	New Linde	4,773	0.43
Industrials – 0.89% (31/08/22 – 0.83%)			
20,500	Accenture	5,240	0.48
2,760	Allegion	248	0.02
14,268	Eaton	2,594	0.24
6,557	Pentair	364	0.03
8,079	Trane Technologies	1,309	0.12
Healthcare – 0.46% (31/08/22 – 0.47%)			
7,387	Horizon Therapeutics	657	0.06
2,799	ICON	574	0.05
1,893	Jazz Pharmaceuticals	214	0.02
48,555	Medtronic	3,123	0.29
2,665	Steris	483	0.04

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
IRELAND – 2.10% (31/08/22 – 2.07%) – continued			
Consumer Services – 0.11% (31/08/22 – 0.11%)			
25,061	Johnson Controls Automation	1,168	0.11
Financials – 0.18% (31/08/22 – 0.26%)			
7,404	Aon	1,949	0.18
Technology – 0.03% (31/08/22 – 0.04%)			
6,382	Seagate Technology Holding	356	0.03
Total Ireland		23,052	2.10
ISRAEL – 0.04% (31/08/22 – 0.05%)			
Technology – 0.04% (31/08/22 – 0.05%)			
4,317	Check Point Software Technologies	459	0.04
Total Israel		459	0.04
LIBERIA – 0.04% (31/08/22 – 0.01%)			
Consumer Services – 0.04% (31/08/22 – 0.01%)			
5,477	Royal Caribbean Cruises	428	0.04
Total Liberia		428	0.04
LUXEMBOURG – 0.06% (31/08/22 – 0.04%)			
Technology – 0.06% (31/08/22 – 0.04%)			
4,852	Spotify Technology	590	0.06
Total Luxembourg		590	0.06
NETHERLANDS – 0.19% (31/08/22 – 0.27%)			
Basic Materials – 0.06% (31/08/22 – 0.06%)			
8,670	LyondellBasell	676	0.06
Technology – 0.13% (31/08/22 – 0.21%)			
8,810	NXP Semiconductors	1,429	0.13
10,512	Yandex*	–	–
Total Netherlands		2,105	0.19
PANAMA – 0.02% (31/08/22 – 0.01%)			
Consumer Services – 0.02% (31/08/22 – 0.01%)			
17,958	Carnival	224	0.02
Total Panama		224	0.02
SINGAPORE – 0.04% (31/08/22 – 0.03%)			
Industrials – 0.04% (31/08/22 – 0.03%)			
19,101	Flex	416	0.04
Total Singapore		416	0.04

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
SWITZERLAND – 0.33% (31/08/22 – 0.38%)			
Industrials – 0.11% (31/08/22 – 0.12%)			
11,357	TE Connectivity	1,186	0.11
Financials – 0.18% (31/08/22 – 0.22%)			
12,878	Chubb	2,041	0.18
Technology – 0.04% (31/08/22 – 0.04%)			
4,972	Garmin	416	0.04
Total Switzerland		3,643	0.33
UNITED KINGDOM – 0.09% (31/08/22 – 0.26%)			
Industrials – 0.00% (31/08/22 – 0.02%)			
523	Sensata Technologies	16	–
Consumer Goods – 0.04% (31/08/22 – 0.03%)			
8,288	Coca-Cola European Partners	419	0.04
Consumer Services – 0.02% (31/08/22 – 0.07%)			
7,443	Liberty Global	108	0.01
10,327	Liberty Global 'C'	162	0.01
Technology – 0.00% (31/08/22 – 0.10%)			
Healthcare – 0.03% (31/08/22 – 0.04%)			
12,441	Royalty Pharma	293	0.03
Total United Kingdom		998	0.09
Total value of investments		1,038,992	94.82
Net other assets		56,746	5.18
Total net assets		1,095,738	100.00

* 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 2023

Significant Purchases

	Cost £'000
Microsoft	30,524
Apple	27,148
Amazon.com	13,937
Atmos Energy	10,702
Alphabet 'A'	10,633
Airbnb 'A'	10,629
Tesla Motors	9,623
Sempra Energy	9,046
Biogen IDEC	8,794
Air Products & Chemicals	8,115
Subtotal	139,151
Total cost of purchases, including the above, for the year	617,659

Significant Sales

	Proceeds £'000
Apple	455,363
Microsoft	393,555
Amazon.com	170,426
Alphabet 'A'	116,057
Nvidia	114,010
Alphabet 'C'	104,257
Tesla Motors	103,761
Exxon Mobil	94,599
UnitedHealth	92,694
JP Morgan Chase	84,660
Subtotal	1,729,382
Total proceeds from sales, including the above, for the year	7,296,117

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital (losses)/gains	2	(93,536)	121,191
Revenue	3	73,908	112,841
Expenses	4	(1,761)	(3,104)
Interest payable and similar charges		(2)	(1)
Net revenue before taxation		72,145	109,736
Taxation	5	(10,745)	(16,013)
Net revenue after taxation		61,400	93,723
Total (deficit)/return before distributions		(32,136)	214,914
Distributions	6	(61,409)	(93,892)
Change in net assets attributable to shareholders from investment activities		(93,545)	121,022

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	7,861,820	7,746,211
Amounts receivable on creation of shares	539,956	256,480
Amounts payable on cancellation of shares	(415,509)	(356,649)
Amounts payable on in-specie transfer of shares*	(6,812,012)	–
	(6,687,565)	(100,169)
Dilution adjustment charged	1,186	729
Change in net assets attributable to shareholders from investment activities	(93,545)	121,022
Retained distribution on accumulation shares	13,842	94,027
Closing net assets attributable to shareholders	1,095,738	7,861,820

* Represents the value of units cancelled by in-specie transfer of assets into the Royal London US Equity Tilt Tax Transparent Fund during the year.

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		1,038,992	7,809,346
Current assets:			
Debtors	7	1,671	12,205
Cash and bank balances	8	55,121	51,949
Total assets		1,095,784	7,873,500
Liabilities			
Creditors:			
Other creditors	9	46	11,680
Total liabilities		46	11,680
Net assets attributable to shareholders		1,095,738	7,861,820

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital (losses)/gains

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(89,456)	119,164
Derivative securities	(1,221)	(2,578)
Currency (losses)/gains	(2,859)	4,605
Net capital (losses)/gains	(93,536)	121,191

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	190	706
Overseas dividends	71,446	111,211
Bank interest	1,671	218
Interest received on amounts held with brokers	115	5
Stock lending income	486	701
Total revenue	73,908	112,841

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	1,761	3,104
Total expenses	1,761	3,104

* Audit fee £17,464 (31/08/22: £16,632) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	10,213	16,008
Reclaimable tax written off	532	5
Current tax charge for the year	10,745	16,013

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	72,145	109,736
Corporation tax at 20% (31/08/22: 20%)	14,429	21,947
Effects of:		
Revenue not subject to taxation	(13,546)	(21,283)
Current year expenses not utilised	(766)	(510)
Irrecoverable overseas tax	10,213	16,008
Reclaimable tax written off	532	5
Tax relief on overseas tax suffered	(117)	(154)
Current tax charge for the year	10,745	16,013

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £4,177,000 (31/08/22: £4,943,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Final	13,842	94,027
	13,842	94,027
Add: Amounts deducted on cancellation of shares	50,440	1,315
Deduct: Amounts received on the creation of shares	(2,873)	(1,450)
Net distributions for the year	61,409	93,892

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	61,400	93,723
Movement in income carried forward	2	(1)
Irrecoverable tax on special dividends	7	170
Net distributions for the year	61,409	93,892

Details of the distribution per share are set out on page 88.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	110	872
Foreign exchange sales awaiting settlement	–	19
Accrued revenue	1,544	10,718
Overseas withholding tax recoverable	17	596
Total debtors	1,671	12,205

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	52,607	50,741
Amounts held at futures clearing houses and brokers	2,514	1,208
Total cash and bank balances	55,121	51,949

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	7	11,404
Accrued expenses	39	276
Total other creditors	46	11,680

10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/22	3,569	4,833,718,611
Shares issued	–	338,323,057
Shares cancelled	–	(4,550,059,748)
Closing shares at 31/08/23	3,569	621,981,920

	Class S Accumulation	Class X Accumulation
Opening shares at 01/09/22	4,205,887	2,500
Shares issued	218,068	–
Shares cancelled	(1,111,176)	–
Closing shares at 31/08/23	3,312,779	2,500

	Class Z Accumulation
Opening shares at 01/09/22	3,991,048
Shares issued	1,069,216
Shares cancelled	(1,970,565)
Closing shares at 31/08/23	3,089,699

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

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/22: 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 £65,000 (31/08/22: £10,807,000).

At the year end, 31 August 2023, 79.15% (31/08/22: 98.09%) 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 £122,000 (Gross: £608,000) (31/08/22: £175,000 (Gross: £876,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £77,412,000 (31/08/22: £817,722,000).

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

Asset class	31 Aug 2023	31 Aug 2022
	Collateral Held £'000	Collateral Held £'000
Equity	86,224	531,143
Bonds	9,056	335,470

The aggregate value of collateral held at the balance sheet date was £95,280,000 (31/08/22: £866,613,000).

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 BMO Nesbitt Burns, BNP Paribas Arbitrage, BNP Paribas Prime Brokerage International Limited, HSBC Bank, JP Morgan Securities, Natixis, RBC Dominion Securities and UBS.

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 74 to 79.

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 81. 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 2023 £'000	31 Aug 2022 £'000
Sterling	807	(10,343)
US dollar	1,094,931	7,872,163
Total	1,095,738	7,861,820

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 £109,493,000 (31/08/22: £787,216,000). 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 £109,493,000 (31/08/22: £787,216,000). 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 £103,881,000 (31/08/22: £780,760,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £103,881,000 (31/08/22: £780,760,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £52,607,000 (31/08/22: £50,741,000) which earn interest by reference to SONIA or international equivalent. This equates to 4.80% of the current Net Asset Value and 0.65% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

16. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	617,626	8	–	–	–	–	–	617,634
Corporate actions	25	–	–	–	–	–	–	25
Total	617,651	8		–		–		617,659

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	461,330	20	–	–	–	10	–	461,300
In-specie transactions	23,025	–	–	–	–	–	–	23,025
Corporate actions	6,811,792	–	–	–	–	–	–	6,811,792
Total	7,296,147	20		–		10		7,296,117

The Fund had paid £20,000 as commission on purchases and sales derivative transactions for the year ended 31/08/23.

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 2022

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

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
Total	523,962	16		1		3		523,942

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%

At the balance sheet date the portfolio dealing spread was 0.02% (31/08/22: 0.02%).

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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	1,038,807	–	–	1,038,807
Derivatives	185	–	–	185
Total	1,038,992	–	–	1,038,992

As at the year ended 31 August 2022

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

18. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £1,115,480,308. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 1.79%.

There have been no significant redemptions during this period.

Distribution Table

For the year ended 31 August 2023

Distribution in pence per share

Final

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class P Accumulation				
Group 1	1.9955	–	1.9955	1.7613
Group 2	1.9955	0.0000	1.9955	1.7613
Class R Accumulation				
Group 1	2.1781	–	2.1781	1.9383
Group 2	1.3377	0.8404	2.1781	1.9383
Class S Accumulation				
Group 1	2.1177	–	2.1177	1.8814
Group 2	0.3520	1.7657	2.1177	1.8814
Class X Accumulation*				
Group 1	1.3696	–	1.3696	0.7344
Group 2	1.3696	0.0000	1.3696	0.7344
Class Z Accumulation				
Group 1	7.2688	–	7.2688	6.4122
Group 2	3.3690	3.8998	7.2688	6.4122

* Class X Accumulation launched on 15 February 2022.

Royal London European Growth Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London European Growth Fund, Class A Accumulation	15.24	25.85	32.89
Royal London European Growth Fund, Class M Accumulation	15.68	27.41	36.18
Royal London European Growth Fund, Class R Accumulation	16.43	29.87	–
FTSE® World Europe ex-UK Index Total Return	15.84	30.57	37.83
IA Europe Excluding UK TR	14.13	23.94	28.56

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Performance overview

The Fund delivered positive returns for the period under review, outperforming its benchmark, the FTSE® World Europe ex-UK Total Return benchmark index, in underlying terms. Positive stock selection drove outperformance during the period.

Market overview

Over the past 12 months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Portfolio commentary

The Fund outperformed the benchmark over the 12 months, driven by stock picking within the more cyclical elements of the market. Exposure to the financial sector was helpful, with UBS in particularly benefitting from the positive market response to its emergency takeover of rival Credit Suisse. Consumer discretionary investments also helped, with LVMH and Mercedes-Benz both adding to performance. In both cases exposure to more affluent consumers is seen as a positive for future profitability.

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. In the period the Fund started new positions in UPM and Puma. UPM is a capital-intensive Pulp and Paper Producer whose management have spent a decade taking costs out of the challenged paper business and re-investing the proceeds into more profitable areas. Puma is a leading global sportswear company that through prioritising investments in brand and product has been able to reinvigorate growth and returns. These purchases were funded by reducing exposure to the financial sector, including selling out of positions in DNB, Svenska Handelsbanken and KBC.

Manager's Investment Report (continued)

Investment outlook

There is some uncertainty looking to the rest of 2023. Whilst there is significant geopolitical and macroeconomic risk, we remain focused on using our established investment process to generate alpha through bottom-up stock picking. With this volatile background, we believe that our approach of diversifying the strategies across broad range of companies from different sectors and stages of their Life Cycle will allow performance to continue to be driven more by the success of our hunting for superior shareholder wealth creating companies with undervalued long-term cash flows than by the prevailing winds of the macroeconomy, or factors such as growth or value styles being in vogue.

Steve Bolton
Fund Manager
Royal London Asset Management Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class A Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	1,047.67	1,192.30	949.26
Return before operating charges*	169.16	(132.25)	254.97
Operating charges	(12.83)	(12.38)	(11.93)
Return after operating charges*	156.33	(144.63)	243.04
Distributions on accumulation shares	(20.06)	(15.60)	(6.83)
Retained distributions on accumulation shares	20.06	15.60	6.83
Closing net asset value per share	1,204.00	1,047.67	1,192.30
* after direct transaction costs of:	0.29	0.33	0.21
Performance			
Return after charges	14.92%	(12.13)%	25.60%
Other information			
Closing net asset value (£'000)	55,163	50,083	60,653
Closing number of shares	4,581,670	4,780,357	5,086,991
Operating charges	1.10%	1.10%	1.10%
Direct transaction costs	0.03%	0.03%	0.02%
Prices[^]			
Highest share price	1,268.00	1,245.00	1,200.00
Lowest share price	1,000.00	991.80	893.20

Class M Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	1,126.67	1,276.98	1,012.19
Return before operating charges*	182.15	(141.90)	272.70
Operating charges	(8.86)	(8.41)	(7.91)
Return after operating charges*	173.29	(150.31)	264.79
Distributions on accumulation shares	(26.76)	(21.68)	(12.29)
Retained distributions on accumulation shares	26.76	21.68	12.29
Closing net asset value per share	1,299.96	1,126.67	1,276.98
* after direct transaction costs of:	0.32	0.35	0.23
Performance			
Return after charges	15.38%	(11.77)%	26.16%
Other information			
Closing net asset value (£'000)	11,020	5,618	4,830
Closing number of shares	847,741	498,602	378,243
Operating charges	0.70%	0.70%	0.70%
Direct transaction costs	0.03%	0.03%	0.02%
Prices[^]			
Highest share price	1,367.00	1,334.00	1,286.00
Lowest share price	1,076.00	1,064.00	953.30

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	132.98	149.76	117.94
Return before operating charges*	21.53	(16.71)	31.89
Operating charges	(0.07)	(0.07)	(0.07)
Return after operating charges*	21.46	(16.78)	31.82
Distributions on accumulation shares	(4.13)	(3.47)	(2.29)
Retained distributions on accumulation shares	4.13	3.47	2.29
Closing net asset value per share	154.44	132.98	149.76
* after direct transaction costs of:	0.04	0.04	0.03
Performance			
Return after charges	16.14%	(11.20)%	26.98%
Other information			
Closing net asset value (£'000)	2,130,705	1,805,819	2,100,169
Closing number of shares	1,379,664,397	1,357,917,738	1,402,362,033
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	0.03%	0.03%	0.02%
Prices[^]			
Highest share price	162.10	156.70	150.80
Lowest share price	127.10	125.30	111.20

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 98.72% (31/08/22 – 98.45%)			
Belgium – 0.29 (31/08/22 – 0.98%)			
Financials – 0.29%			
	121,593 KBC Group	6,307	0.29
Total Belgium		6,307	0.29
Denmark – 5.85% (31/08/22 – 4.63%)			
Healthcare – 4.39%			
	655,117 Novo Nordisk 'B'	96,444	4.39
Industrials – 1.46%			
	6,961 A.P. Moller-Maersk 'B'	10,024	0.46
	146,543 DSV	21,969	1.00
Total Denmark		128,437	5.85
Finland – 2.72% (31/08/22 – 2.51%)			
Basic Materials – 0.85%			
	684,112 UPM-Kymmene	18,622	0.85
Financials – 0.93%			
	589,263 Sampo Oyj 'A'	20,502	0.93
Telecommunications – 0.94%			
	530,044 Elisa Oyj	20,580	0.94
Total Finland		59,704	2.72
France – 29.21% (31/08/22 – 28.67%)			
Consumer Goods – 11.48%			
	214,309 L'Oreal	74,489	3.39
	162,318 LVMH	108,749	4.95
	1,337,799 Michelin	33,104	1.51
	230,883 Pernod-Ricard	35,824	1.63
Financials – 5.10%			
	2,590,673 AXA	61,632	2.80
	986,370 BNP Paribas	50,446	2.30
Healthcare – 2.21%			
	326,762 Essilor International	48,666	2.21
Industrials – 4.61%			
	271,613 Legrand	21,189	0.96
	252,032 Safran	32,014	1.46
	353,725 Schneider Electric	48,040	2.19
Oil & Gas – 4.13%			
	1,822,331 TotalEnergies	90,640	4.13
Technology – 1.68%			
	249,752 Capgemini	36,858	1.68
Total France		641,651	29.21

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Germany – 21.50% (31/08/22 – 18.81%)			
Basic Materials – 0.67%			
	179,905 Symrise	14,821	0.67
Consumer Goods – 3.44%			
	1,043,322 Daimler	60,437	2.75
	284,684 Puma	15,177	0.69
Consumer Services – 0.22%			
	100,100 Cts Eventim	4,934	0.22
Financials – 1.80%			
	280,913 Deutsche Börse	39,508	1.80
Healthcare – 2.78%			
	269,171 Merck KGaA	38,283	1.74
	574,478 Siemens Healthineers	22,753	1.04
Industrials – 7.37%			
	1,487,599 DHL Group	54,898	2.50
	243,118 GEA	7,640	0.35
	500,898 Heidelberg Materials	31,894	1.45
	565,329 Siemens	67,423	3.07
Technology – 5.22%			
	1,382,725 Infineon Technologies	39,208	1.79
	680,671 SAP	75,255	3.43
Total Germany		472,231	21.50
Italy – 1.75% (31/08/22 – 2.49%)			
Financials – 1.75%			
	1,996,399 UniCredit	38,509	1.75
Total Italy		38,509	1.75
Luxembourg – 0.39% (31/08/22 – 0.00%)			
Industrials – 0.39%			
	176,869 Eurofins Scientific	8,605	0.39
Total Luxembourg		8,605	0.39
Netherlands – 7.69% (31/08/22 – 8.03%)			
Basic Materials – 0.95%			
	190,847 IMCD Group	20,777	0.95
Consumer Services – 2.27%			
	523,492 Wolters Kluwer	49,860	2.27
	521,197 Wolters Kluwer Rights	–	–
Financials – 2.16%			
	629,178 ASR Nederland	21,745	0.99
	2,294,262 ING Groep certificates	25,743	1.17
Technology – 2.31%			
	19,412 Adyen	12,844	0.58
	72,884 ASML Holding	37,949	1.73
Total Netherlands		168,918	7.69

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Norway – 1.52% (31/08/22 – 2.07%)			
Oil & Gas – 0.85%			
	771,881 Equinor	18,795	0.85
Telecommunications – 0.67%			
	1,738,070 Telenor	14,687	0.67
Total Norway		33,482	1.52
Spain – 4.32% (31/08/22 – 3.55%)			
Financials – 2.05%			
	14,616,458 Banco Santander	45,095	2.05
Utilities – 2.27%			
	5,317,174 Iberdrola	49,892	2.27
Total Spain		94,987	4.32
Sweden – 4.81% (31/08/22 – 7.20%)			
Basic Materials – 0.80%			
	837,954 Boliden	17,616	0.80
Financials – 0.09%			
	293,410 Svenska Handelsbanken 'A'	1,932	0.09
Industrials – 3.92%			
	1,339,178 Assa Abloy 'B'	23,830	1.09
	1,750,922 Epiroc AB 'A'	26,513	1.21
	1,174,255 SKF 'B'	15,018	0.68
	1,298,002 Volvo 'B'	20,660	0.94
Total Sweden		105,569	4.81
Switzerland – 18.67% (31/08/22 – 19.51%)			
Basic Materials – 2.54%			
	249,832 Sika	55,872	2.54
Consumer Goods – 5.00%			
	1,156,639 Nestlé (registered)	109,958	5.00
Financials – 2.82%			
	2,951,572 UBS (registered)	61,948	2.82
Healthcare – 5.89%			
	67,338 Lonza	29,409	1.34
	430,072 Roche Holding	100,005	4.55
Industrials – 0.97%			
	51,811 Geberit	21,225	0.97
Technology – 0.65%			
	260,168 Logitech	14,240	0.65
Telecommunications – 0.80%			
	36,626 Swisscom	17,606	0.80
Total Switzerland		410,263	18.67
Total value of investments		2,168,663	98.72
Net other assets		28,225	1.28
Total net assets		2,196,888	100.00

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 2023

Significant Purchases

	Cost £'000
Michelin	32,719
Adyen	24,526
ING Groep certificates	24,456
Assa Abloy 'B'	23,413
Roche Holding	19,545
UPM-Kymmene	17,764
Pernod-Ricard	17,486
Siemens	14,953
Telenor	14,280
SAP	13,788
Subtotal	202,930
Total cost of purchases, including the above, for the year	445,991

Significant Sales

	Proceeds £'000
ASML Holding	37,892
DNB Bank ASA	21,958
Enel	21,661
Assa Abloy 'B'	20,609
Svenska Handelsbanken 'A'	17,519
KBC Group	17,507
Arkema	17,479
Dassault Systemes	15,879
Novo Nordisk 'B'	15,086
Boliden	13,730
Subtotal	199,320
Total proceeds from sales, including the above, for the year	344,374

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023		31 Aug 2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/ (losses)	2		232,921		(292,260)
Revenue	3	70,109		59,957	
Expenses	4	(1,668)		(1,635)	
Interest payable and similar charges		(192)		(79)	
Net revenue before taxation		68,249		58,243	
Taxation	5	(9,137)		(7,245)	
Net revenue after taxation			59,112		50,998
Total return/(deficit) before distributions			292,033		(241,262)
Distributions	6		(57,458)		(49,514)
Change in net assets attributable to shareholders from investment activities			234,575		(290,776)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023		31 Aug 2022	
		£'000	£'000	£'000	£'000
Assets					
Investments			2,168,663		1,832,750
Current assets:					
Debtors	7		31,528		5,343
Cash and bank balances	8		14,608		36,006
Total assets			2,214,799		1,874,099
Liabilities					
Creditors:					
Other creditors	9		17,911		12,579
Total liabilities			17,911		12,579
Net assets attributable to shareholders			2,196,888		1,861,520

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023		31 Aug 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,861,520		2,165,652
Amounts transferred from other funds*		20,019		–
Amounts receivable on creation of shares	113,082		57,520	
Amounts payable on cancellation of shares	(90,596)		(119,410)	
		22,486		(61,890)
Dilution adjustment charged		266		164
Change in net assets attributable to shareholders from investment activities		234,575		(290,776)
Retained distribution on accumulation shares		58,022		48,370
Closing net assets attributable to shareholders		2,196,888		1,861,520

* On 15 December 2022 £20,019,376 was transferred via in-specie from The Royal London Liver With Profits European Equities Fund.

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains/(losses)

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	233,055	(292,886)
Currency (losses)/gains	(134)	626
Net capital gains/(losses)	232,921	(292,260)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
Overseas dividends	67,822	58,130
Bank interest	379	19
Stock lending income	254	323
Stock dividends	1,654	1,485
Total revenue	70,109	59,957

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	1,668	1,635
Total expenses	1,668	1,635

* Audit fee £14,008 (31/08/22: £11,078) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	5,872	5,050
Reclaimable tax written off	3,265	2,350
Windfall overseas tax recoveries	–	(155)
Current tax charge for the year	9,137	7,245

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	68,249	58,243
Corporation tax at 20% (31/08/22: 20%)	13,650	11,649

Effects of:

Revenue not subject to taxation	(13,895)	(11,923)
Current year expenses not utilised	245	274
Irrecoverable overseas tax	5,872	5,050
Reclaimable tax written off	3,265	2,350
Windfall overseas tax recoveries	–	(155)
Current tax charge for the year	9,137	7,245

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £15,259,000 (31/08/22: £15,014,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Interim	8,182	8,048
Final	49,840	40,322
	58,022	48,370
Add: Amounts deducted on cancellation of shares	217	(320)
Deduct: Amounts received on the creation of shares	(781)	1,464
Net distributions for the year	57,458	49,514

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	59,112	50,998
Movement in income carried forward	–	1
Stock dividend charged to capital	(1,654)	(1,485)
Net distributions for the year	57,458	49,514

Details of the distribution per share are set out on page 101.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	38	14
Sales awaiting settlement	25,396	–
Foreign exchange sales awaiting settlement	11	–
Accrued revenue	359	752
Overseas withholding tax recoverable	5,724	4,577
Total debtors	31,528	5,343

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	14,608	36,006
Total cash and bank balances	14,608	36,006

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	13	7,825
Purchases awaiting settlement	17,749	4,585
Foreign exchange purchases awaiting settlement	–	38
Accrued expenses	149	131
Total other creditors	17,911	12,579

10. Reconciliation of number of shares

	Class A Accumulation	Class M Accumulation
Opening shares at 01/09/22	4,780,357	498,602
Shares issued	48,210	383,679
Shares cancelled	(246,803)	(34,628)
Shares converted	(94)	88
Closing shares at 31/08/23	4,581,670	847,741

	Class R Accumulation
Opening shares at 01/09/22	1,357,917,738
Shares issued	85,090,401
Shares cancelled	(63,343,742)
Shares converted	–
Closing shares at 31/08/23	1,379,664,397

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 (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 £124,000 (31/08/22: £7,942,000).

At the year end, 31 August 2023, 99.61% (31/08/22: 100%) 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 £64,000 (Gross: £318,000) (31/08/22: £81,000 (Gross: £404,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £289,866,000 (31/08/22: £270,875,000).

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

Asset class	31 Aug 2023 Collateral Held £'000	31 Aug 2022 Collateral Held £'000
Equity	256,722	134,060
Bonds	51,841	153,259

The aggregate value of collateral held at the balance sheet date was £308,563,000 (31/08/22: £287,319,000).

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, 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 95. 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 2023 £'000	31 Aug 2022 £'000
Sterling	6,412	(5,091)
Danish krone	130,986	82,796
Euro	1,504,508	1,247,017
Norwegian krone	33,514	38,869
Polish zloty	4	4
Swedish krona	116,380	134,312
Swiss franc	404,935	363,455
Turkish lira	2	4
US dollar	147	154
Total	2,196,888	1,861,520

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 £219,048,000 (31/08/22: £186,661,000). 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 £219,048,000 (31/08/22: £186,661,000). 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 £216,866,000 (31/08/22: £183,275,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £216,866,000 (31/08/22: £183,275,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £14,608,000 (31/08/22: £36,006,000) which earn interest by reference to SONIA or international equivalent. This equates to 0.66% of the current Net Asset Value and 1.93% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

15. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	425,803	103	0.02	297	0.07	5	–	426,208
In-specie transactions	19,783	–	–	–	–	–	–	19,783
Total	445,586	103		297		5		445,991

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	344,408	118	0.03	–	–	–	–	344,290
Corporate actions	84	–	–	–	–	–	–	84
Total	344,492	118		–		–		344,374

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.02%
Other expenses	0.00%

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
Total	402,854	152		239		34		403,279

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
Total	380,585	165		–		–		380,420

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%

At the balance sheet date the portfolio dealing spread was 0.07% (31/08/22: 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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	2,168,663	–	–	2,168,663
Total	2,168,663	–	–	2,168,663

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	1,832,750	–	–	1,832,750
Total	1,832,750	–	–	1,832,750

17. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £2,264,931,400. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 3.07%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
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Class A Accumulation

There was no distribution for the A Accumulation shares for the period ended 28 February 2023 (28/02/22: same).

Class M Accumulation

Group 1	1.2555	–	1.2555	0.7416
Group 2	0.7662	0.4893	1.2555	0.7416

Class R Accumulation

Group 1	0.5986	–	0.5986	0.5674
Group 2	0.1828	0.4158	0.5986	0.5674

Final

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
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Class A Accumulation

Group 1	20.0603	–	20.0603	15.5962
Group 2	6.2329	13.8274	20.0603	15.5962

Class M Accumulation

Group 1	25.5042	–	25.5042	20.9395
Group 2	8.2040	17.3002	25.5042	20.9395

Class R Accumulation

Group 1	3.5302	–	3.5302	2.9068
Group 2	1.8606	1.6696	3.5302	2.9068

Royal London UK Dividend Growth Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Dividend Growth Fund, Class A Accumulation	8.53	33.13	21.29
Royal London UK Dividend Growth Fund, Class M Accumulation	9.09	35.09	24.61
Royal London UK Dividend Growth Fund, Class M Income	9.07	35.06	24.64
Royal London UK Dividend Growth Fund, Class R Accumulation	9.77	37.75	–
Royal London UK Dividend Growth Fund, Class z Accumulation	9.16	–	–
FTSE® All-Share Index	5.23	34.95	18.39
IA UK All Companies TR	3.79	22.84	8.41

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Performance overview

The Fund delivered positive returns during the period, outperforming the FTSE® All-Share Index. Positive stock selection drove outperformance, with notable examples in retail, software and pharmaceuticals sectors.

Market overview

Over the past 12 months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Portfolio commentary

With inflation a key focus in the market over the last year, key determinants of company performance have been the ability of companies to manage their own costs or recovery cost increases through increasing their own prices. With labour markets tight, the ability and to attract and retain staff, and cope with stronger wage inflation have also been important factors.

The Fund has performed better than the benchmark and the comparator peer group median over the last 12 months. The outperformance has been driven by a number of stocks which have performed especially well. The holding in the pharmaceutical company Hikma has performed particularly well, as the company has seen a strong recovery in profit margins in its generic medicine product portfolio. Three stocks linked to retailing also did well – Dunelm, the homewares retailer, discount retailer B&M and 3i, whose performance is driven by its large holding in the European discount retailing chain Action. All three companies have reported strong financial results, despite the pressures on consumer spending. The equipment hire company Ashtead has seen good growth, in part boosted by US infrastructure spend supported by the Inflation Reduction Act in the USA. Finally shares in the accounting software company Sage did well as the company reporting strong results.

Manager's Investment Report (continued)

Investment outlook

There is considerable uncertainty about the outlook for the remainder of 2023. Monetary authorities have continued to raise interest rates and many investors fear that this could tip economies into a hard-landing recession, although the hard data remain mixed at this stage.

We believe our approach of investing in a broad range of companies who are in control of their own fates, irrespective of market conditions is the right one. As well as looking for durable businesses, a willingness to look through short-term extremes of sentiment and buy stocks when they are out of favour, or take profits when sentiment becomes exuberant should drive longer-term performance.

Richard Marwood
Fund Manager
Royal London Asset Management Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class A Accumulation

	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Change in net assets per share			
Opening net asset value per share	397.14	438.71	323.27
Return before operating charges*	37.39	(36.70)	119.93
Operating charges	(4.85)	(4.87)	(4.49)
Return after operating charges*	32.54	(41.57)	115.44
Distributions on accumulation shares	(14.88)	(14.09)	(12.97)
Retained distributions on accumulation shares	14.88	14.09	12.97
Closing net asset value per share	429.68	397.14	438.71
* after direct transaction costs of:	0.32	0.47	0.28
Performance			
Return after charges	8.19%	(9.48)%	35.71%
Other information			
Closing net asset value (£'000)	46,449	45,044	52,218
Closing number of shares	10,810,068	11,342,123	11,902,616
Operating charges	1.15%	1.15%	1.15%
Direct transaction costs	0.08%	0.11%	0.07%
Prices[^]			
Highest share price	448.70	449.20	441.80
Lowest share price	373.10	383.90	307.50

Class M Accumulation

	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Change in net assets per share			
Opening net asset value per share	213.38	234.66	172.09
Return before operating charges*	20.29	(19.68)	64.05
Operating charges	(1.62)	(1.60)	(1.48)
Return after operating charges*	18.67	(21.28)	62.57
Distributions on accumulation shares	(7.99)	(7.26)	(6.92)
Retained distributions on accumulation shares	7.99	7.26	6.92
Closing net asset value per share	232.05	213.38	234.66
* after direct transaction costs of:	0.17	0.25	0.16
Performance			
Return after charges	8.75%	(9.07)%	36.36%
Other information			
Closing net asset value (£'000)	15,627	16,158	5,646
Closing number of shares	6,734,532	7,572,661	2,406,096
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	0.08%	0.11%	0.07%
Prices[^]			
Highest share price	241.70	240.60	236.30
Lowest share price	200.60	206.10	163.90

Class M Income

	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Change in net assets per share			
Opening net asset value per share	98.42	111.86	84.77
Return before operating charges*	9.32	(9.22)	31.23
Operating charges	(0.74)	(0.76)	(0.77)
Return after operating charges*	8.58	(9.98)	30.46
Distributions on income shares	(3.64)	(3.46)	(3.37)
Closing net asset value per share	103.36	98.42	111.86
* after direct transaction costs of:	0.08	0.12	0.08
Performance			
Return after charges	8.72%	(8.92)%	35.93%
Other information			
Closing net asset value (£'000)	5,124	4,329	3,014
Closing number of shares	4,957,352	4,398,036	2,694,672
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	0.08%	0.11%	0.07%
Prices[^]			
Highest share price	110.90	114.10	113.70
Lowest share price	92.51	96.11	80.72

Class R Accumulation

	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Change in net assets per share			
Opening net asset value per share	123.84	135.28	98.54
Return before operating charges*	11.70	(11.40)	36.77
Operating charges	(0.04)	(0.04)	(0.03)
Return after operating charges*	11.66	(11.44)	36.74
Distributions on accumulation shares	(4.67)	(4.37)	(3.98)
Retained distributions on accumulation shares	4.67	4.37	3.98
Closing net asset value per share	135.50	123.84	135.28
* after direct transaction costs of:	0.10	0.15	0.09
Performance			
Return after charges	9.42%	(8.46)%	37.28%
Other information			
Closing net asset value (£'000)	931,312	912,685	1,008,856
Closing number of shares	687,293,217	736,960,862	745,743,181
Operating charges	0.03%	0.03%	0.03%
Direct transaction costs	0.08%	0.11%	0.07%
Prices[^]			
Highest share price	140.60	139.10	136.20
Lowest share price	116.50	119.50	93.94

Comparative Tables (continued)

Class Z Income

Change in net assets per share	31/08/23 (p)	31/08/22** (p)
Opening net asset value per share	90.12	100.00
Return before operating charges*	8.49	(7.52)
Operating charges	(0.55)	(0.30)
Return after operating charges*	7.94	(7.82)
Distributions on income shares	(3.33)	(2.06)
Closing net asset value per share	94.73	90.12
* after direct transaction costs of:	0.07	0.11
Performance		
Return after charges	8.81%	(7.82)%
Other information		
Closing net asset value (£'000)	15,699	16,658
Closing number of shares	16,571,042	18,484,025
Operating charges	0.58%	0.58%
Direct transaction costs	0.08%	0.11%
Prices[^]		
Highest share price	101.50	100.00
Lowest share price	84.72	87.95

** Class Z Income launched on 10 February 2022.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 97.36% (31/08/22 – 98.82%)			
Oil & Gas – 12.63% (31/08/22 – 11.55%)			
Oil & Gas Producers – 12.63%			
10,200,000	BP	49,725	4.90
3,250,000	Shell	78,374	7.73
Total Oil & Gas		128,099	12.63
Basic Materials – 9.65% (31/08/22 – 12.30%)			
Chemicals – 2.18%			
211,000	Croda International	11,647	1.15
640,000	Johnson Matthey	10,432	1.03
Mining – 7.47%			
850,000	Anglo American	17,850	1.76
10,000,000	Glencore	42,140	4.15
325,000	Rio Tinto	15,836	1.56
Total Basic Materials		97,905	9.65
Industrials – 18.96% (31/08/22 – 17.32%)			
Aerospace & Defence – 0.74%			
1,150,000	Avon Protection	7,475	0.74
Construction & Materials – 0.62%			
3,900,000	Ibstock	5,803	0.57
200,000	Marshalls	550	0.05
Electronic & Electrical Equipment – 2.41%			
735,400	Spectris	24,452	2.41
General Industrials – 1.49%			
13,326,483	Coats Group	10,208	1.01
930,000	Videndum	4,827	0.48
Industrial Engineering – 1.50%			
2,300,000	Bodycote	15,168	1.50
Industrial Transportation – 2.80%			
1,050,000	Clarkson	28,402	2.80
Support Services – 9.40%			
725,000	Ashtead Group	40,035	3.95
550,000	Bunzl	15,560	1.53
385,000	DCC	16,659	1.64
1,500,000	Howdens Joinery	11,094	1.09
2,000,000	Rentokil Initial	12,012	1.19
Total Industrials		192,245	18.96
Consumer Goods – 15.45% (31/08/22 – 12.82%)			
Beverages – 1.92%			
600,000	Diageo	19,461	1.92
Food Producers – 3.19%			
961,565	Cranswick	32,405	3.19
Household Goods – 3.31%			
425,000	Bellway	9,078	0.90
216,800	Berkeley	8,802	0.87
274,500	Reckitt Benckiser	15,646	1.54
Personal Goods – 3.45%			
7,500,000	Dr. Martens	11,790	1.16
575,000	Unilever	23,242	2.29
Tobacco – 3.58%			
600,000	British American Tobacco	15,732	1.55
1,150,000	Imperial Brands	20,579	2.03
Total Consumer Goods		156,735	15.45

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Healthcare – 10.44% (31/08/22 – 11.75%)			
Healthcare Equipment & Services – 1.50%			
1,428,700	Smith & Nephew	15,280	1.50
Pharmaceuticals & Biotechnology – 8.94%			
435,000	AstraZeneca	46,371	4.57
1,225,000	GSK	17,013	1.68
1,245,000	Hikma Pharmaceuticals	27,253	2.69
Total Healthcare		105,917	10.44
Consumer Services – 8.56% (31/08/22 – 10.66%)			
General Retailers – 2.18%			
930,000	Dunelm	10,807	1.06
775,000	WH Smith	11,361	1.12
Media – 5.96%			
6,500,000	Ascential	13,039	1.29
1,372,400	Informa	10,029	0.99
1,450,000	RELX	37,367	3.68
Travel & Leisure – 0.42%			
10,000,000	Restaurant Group	4,250	0.42
Total Consumer Services		86,853	8.56
Utilities – 2.75% (31/08/22 – 3.73%)			
Electricity – 2.75%			
2,100,000	Drax	11,592	1.14
1,000,000	SSE	16,265	1.61
Total Utilities		27,857	2.75
Financials – 16.06% (31/08/22 – 14.62%)			
Banks – 5.44%			
20,000,000	Barclays	29,472	2.91
60,600,000	Lloyds Banking Group	25,667	2.53
Life Insurance – 0.79%			
900,000	St James's Place Capital	7,961	0.79
Non-Life Insurance – 0.91%			
6,027,800	Sabre Insurance	9,247	0.91
Financial Services – 8.92%			
1,900,000	3i Group	37,876	3.73
1,550,000	Close Brothers	12,718	1.25
2,950,000	IG Group	19,957	1.97
1,475,000	Intermediate Capital Group	19,949	1.97
Total Financials		162,847	16.06
Technology – 2.86% (31/08/22 – 4.07%)			
Software & Computer Services – 2.86%			
2,987,700	Sage	29,011	2.86
Total Technology		29,011	2.86
Total value of investments		987,469	97.36
Net other assets		26,742	2.64
Total net assets		1,014,211	100.00

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 2023

Significant Purchases

	Cost £'000
British American Tobacco	18,778
Dr. Martens	13,441
Lloyds Banking Group	8,399
DCC	7,751
Diageo	6,863
Clarkson	6,404
Close Brothers	6,262
Hikma Pharmaceuticals	5,297
Shell	5,199
Unilever	5,008
Subtotal	83,402
Total cost of purchases, including the above, for the year	117,679

Significant Sales

	Proceeds £'000
B&M European Value Retail	24,977
Aveva Group	21,114
Dechra Pharmaceuticals	18,250
Hikma Pharmaceuticals	15,506
Bunzl	10,248
Euromoney Institutional Investor	10,145
TI Fluid Systems	9,469
Pennon Group	8,914
Rio Tinto	7,062
Rentokil Initial	6,304
Subtotal	131,989
Total proceeds from sales, including the above, for the year	170,650

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital gains/ (losses)	2	57,324	(125,915)
Revenue	3	36,666	35,010
Expenses	4	(1,077)	(1,014)
Net revenue before taxation		35,589	33,996
Taxation	5	(123)	(207)
Net revenue after taxation		35,466	33,789
Total return/(deficit) before distributions		92,790	(92,126)
Distributions	6	(36,543)	(34,720)
Change in net assets attributable to shareholders from investment activities		56,247	(126,846)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		987,469	983,088
Current assets:			
Debtors	7	10,663	8,685
Cash and bank balances	8	21,298	3,447
Total assets		1,019,430	995,220
Liabilities			
Creditors:			
Other creditors	9	4,987	118
Distribution payable		232	228
Total liabilities		5,219	346
Net assets attributable to shareholders		1,014,211	994,874

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	994,874	1,069,734
Amounts receivable on creation of shares	8,442	36,270
Amounts payable on cancellation of shares	(81,167)	(18,682)
	(72,725)	17,588
Dilution adjustment charged	74	69
Change in net assets attributable to shareholders from investment activities	56,247	(126,846)
Retained distribution on accumulation shares	35,741	34,329
Closing net assets attributable to shareholders	1,014,211	994,874

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains/(losses)

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	57,352	(125,948)
Currency (losses)/gains	(28)	33
Net capital gains/(losses)	57,324	(125,915)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	34,504	33,328
Overseas dividends	1,517	1,591
Bank interest	609	39
Stock lending income	36	52
Total revenue	36,666	35,010

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	1,077	1,014
Total expenses	1,077	1,014

* Audit fee £14,008 (31/08/22: £13,340) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	123	207
Current tax charge for the year	123	207

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	35,589	33,996
Corporation tax at 20% (31/08/22: 20%)	7,118	6,799

Effects of:

Revenue not subject to taxation	(7,204)	(6,984)
Current year expenses not utilised	86	185
Irrecoverable overseas tax	123	207
Current tax charge for the year	123	207

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £14,477,000 (31/08/22: £14,391,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
First Interim	5,658	5,694
Second Interim	7,738	6,368
Third Interim	11,343	11,538
Final	11,002	10,729
	35,741	34,329
Income shares		
First Interim	104	15
Second Interim	150	20
Third Interim	229	189
Final	232	228
	715	452
	36,456	34,781
Add: Amounts deducted on cancellation of shares	114	42
Deduct: Amounts received on the creation of shares	(27)	(103)
Net distributions for the year	36,543	34,720

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	35,466	33,789
Expenses charged to capital	1,077	1,014
Equalisation on conversions	–	(83)
Net distributions for the year	36,543	34,720

Details of the distribution per share are set out on pages 114 to 117.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	26	70
Sales awaiting settlement	2,400	–
Accrued revenue	8,237	8,615
Total debtors	10,663	8,685

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	21,298	3,447
Total cash and bank balances	21,298	3,447

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	124	27
Purchases awaiting settlement	4,774	–
Accrued expenses	89	91
Total other creditors	4,987	118

10. Reconciliation of number of shares

	Class A Accumulation
Opening shares at 01/09/22	11,342,123
Shares issued	108,983
Shares cancelled	(637,517)
Shares converted	(3,521)
Closing shares at 31/08/23	10,810,068

	Class M Accumulation	Class M Income
Opening shares at 01/09/22	7,572,661	4,398,036
Shares issued	1,551,541	1,683,391
Shares cancelled	(2,402,039)	(1,110,968)
Shares converted	12,369	(13,107)
Closing shares at 31/08/23	6,734,532	4,957,352

	Class R Accumulation	Class Z Income
Opening shares at 01/09/22	736,960,862	18,484,025
Shares issued	1,021,255	1,569,654
Shares cancelled	(50,688,900)	(3,482,637)
Shares converted	–	–
Closing shares at 31/08/23	687,293,217	16,571,042

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 (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 £187,000 (31/08/22: £48,000).

At the year end, 31 August 2023, 94.62% (31/08/22: 94.63%) 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.

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 £9,000 (Gross: £45,000) (31/08/22: £13,000 (Gross: £65,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £36,495,000 (31/08/22: £68,077,000).

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

Asset class	31 Aug 2023	31 Aug 2022
	Collateral Held £'000	Collateral Held £'000
Equity	16,555	66,758
Bonds	22,159	5,363

The aggregate value of collateral held at the balance sheet date was £38,714,000 (31/08/22: £72,121,000).

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, Merrill Lynch International, 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 108. 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 2023 £'000	31 Aug 2022 £'000
Sterling	1,011,310	991,586
Euro	56	57
US dollar	2,845	3,231
Total	1,014,211	994,874

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 £290,000 (31/08/22: £329,000). 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 £290,000 (31/08/22: £329,000). 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 £98,747,000 (31/08/22: £98,309,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £98,747,000 (31/08/22: £98,309,000).

The only interest bearing assets are cash balances of £21,298,000 (31/08/22: £3,447,000) which earn interest by reference to SONIA or international equivalent. Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same). This equates to 2.10% of the current Net Asset Value and 0.35% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

15. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	116,990	65	0.06	525	0.45	99	0.08	117,679
Total	116,990	65		525		99		117,679

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	164,493	96	0.06	–	–	–	–	164,397
Corporate actions	6,253	–	–	–	–	–	–	6,253
Total	170,746	96		–		–		170,650

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.05%
Other expenses	0.01%

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
Total	203,734	101		901		100		204,836

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
Total	139,783	73		–		–		139,710

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%

At the balance sheet date the portfolio dealing spread was 0.06% (31/08/22: 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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	987,469	–	–	987,469
Total	987,469	–	–	987,469

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	983,088	–	–	983,088
Total	983,088	–	–	983,088

17. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £1,032,949,095. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 1.80%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

First Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 30 November 2022

	Net income	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
Class A Accumulation				
Group 1	2.3012	–	2.3012	2.3605
Group 2	1.4357	0.8655	2.3012	2.3605
Class M Accumulation				
Group 1	1.2318	–	1.2318	1.1908
Group 2	0.7239	0.5079	1.2318	1.1908
Class M Income				
Group 1	0.5681	–	0.5681	0.5611
Group 2	0.3806	0.1875	0.5681	0.5611
Class R Accumulation				
Group 1	0.7188	–	0.7188	0.7249
Group 2	0.6766	0.0422	0.7188	0.7249
Class Z Income*				
Group 1	0.5202	–	0.5202	n/a
Group 2	0.5202	0.0000	0.5202	n/a

* Class Z Income launched on 10 February 2022.

Distribution Tables (continued)

For the year ended 31 August 2023

Distribution in pence per share**Second Interim**

Group 1: Shares purchased prior to 1 December 2022

Group 2: Shares purchased between 1 December 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class A Accumulation				
Group 1	3.1655	–	3.1655	2.6315
Group 2	2.0390	1.1265	3.1655	2.6315
Class M Accumulation				
Group 1	1.7000	–	1.7000	1.1842
Group 2	1.0189	0.6811	1.7000	1.1842
Class M Income				
Group 1	0.7796	–	0.7796	0.6061
Group 2	0.5263	0.2533	0.7796	0.6061
Class R Accumulation				
Group 1	0.9916	–	0.9916	0.8105
Group 2	0.2672	0.7244	0.9916	0.8105
Class Z Income*				
Group 1	0.7139	–	0.7139	0.0000
Group 2	0.4913	0.2226	0.7139	0.0000

* Class Z Income launched on 10 February 2022.

Distribution Tables (continued)

For the year ended 31 August 2023

Distribution in pence per share**Third Interim**

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 May 2023

	Net income	Equalisation	Distribution paid 31/07/23	Distribution paid 31/07/22
Class A Accumulation				
Group 1	4.6491	–	4.6491	4.7215
Group 2	2.5585	2.0906	4.6491	4.7215
Class M Accumulation				
Group 1	2.4997	–	2.4997	2.5314
Group 2	1.4686	1.0311	2.4997	2.5314
Class M Income				
Group 1	1.1383	–	1.1383	1.1942
Group 2	0.6870	0.4513	1.1383	1.1942
Class R Accumulation				
Group 1	1.4600	–	1.4600	1.4661
Group 2	1.0992	0.3608	1.4600	1.4661
Class Z Income*				
Group 1	1.0428	–	1.0428	1.0923
Group 2	0.9528	0.0900	1.0428	1.0923

* Class Z Income launched on 10 February 2022.

Distribution Tables (continued)

For the year ended 31 August 2023

Distribution in pence per share**Final**

Group 1: Shares purchased prior to 1 June 2023

Group 2: Shares purchased between 1 June 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class A Accumulation				
Group 1	4.7644	–	4.7644	4.3797
Group 2	3.1482	1.6162	4.7644	4.3797
Class M Accumulation				
Group 1	2.5600	–	2.5600	2.3505
Group 2	1.5511	1.0089	2.5600	2.3505
Class M Income				
Group 1	1.1532	–	1.1532	1.0970
Group 2	0.7440	0.4092	1.1532	1.0970
Class R Accumulation				
Group 1	1.5008	–	1.5008	1.3643
Group 2	1.1368	0.3640	1.5008	1.3643
Class Z Income*				
Group 1	1.0566	–	1.0566	0.9705
Group 2	0.2086	0.8480	1.0566	0.9705

* 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 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Equity Income Fund, Class A Income	7.40	39.27	15.33
Royal London UK Equity Income Fund, Class M Accumulation	7.82	40.96	18.19
Royal London UK Equity Income Fund, Class M Income	7.84	41.06	18.28
Royal London UK Equity Income Fund, Class R Accumulation	8.49	43.74	–
Royal London UK Equity Income Fund, Class S Accumulation	8.54	43.72	–
Royal London UK Equity Income Fund, Class Z Accumulation	7.97	41.35	–
Royal London UK Equity Income Fund, Class Z Income	7.98	41.03	18.45
FTSE® All-Share Index	5.23	34.95	18.39
IA UK All Companies TR	3.83	32.56	11.45

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Performance overview

The Fund delivered positive returns for the period under review, outperforming the benchmark FTSE® All-Share Index. Positive performance came on the back of stock selection, with notable examples in retail and engineering sectors.

Market overview

Over the past 12 months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Portfolio commentary

With inflation a key focus in the market over the last year, key determinants of company performance have been the ability of companies to manage their own costs or recovery cost increases through increasing their own prices. With labour markets tight, the ability and to attract and retain staff, and cope with stronger wage inflation have also been important factors.

The Fund has performed better than the benchmark and the comparator peer group median over the last 12 months. The outperformance has been driven by a number of stocks which have performed especially well. The two most noteworthy stocks are both linked to retailing – Dunelm, the homewares retailer and 3i, whose performance is driven by its large holding in the European discount retailing chain Action. Both companies have reported strong financial results, despite the pressures on consumer spending. The holding in the pharmaceutical company Hikma has also performed very well, as the company has seen a strong recovery in profit margins in its generic medicine product portfolio. Finally, holdings in two engineering businesses have done well, IMI and Spectris, as both companies have seen excellent growth in sales and profits. The most noteworthy detractor from performance was Videndum, who have seen their business supplying high tech media equipment to TV and film studios impacted by the writer and actor strikes in Hollywood.

Manager's Investment Report (continued)

Investment outlook

There is considerable uncertainty about the outlook for the remainder of 2023. Monetary authorities have continued to raise interest rates and many investors fear that this could tip economies into a hard-landing recession, although the hard data remain mixed at this stage.

We believe our approach of investing in a broad range of companies who are in control of their own fates, irrespective of market conditions is the right one. As well as looking for durable businesses, a willingness to look through short-term extremes of sentiment and buy stocks when they are out of favour, or take profits when sentiment becomes exuberant should drive longer-term performance.

Richard Marwood
Fund Manager
Royal London Asset Management Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class A Income

	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Change in net assets per share			
Opening net asset value per share	717.44	758.17	596.93
Return before operating charges*	57.73	0.07	194.83
Operating charges	(8.45)	(8.49)	(7.95)
Return after operating charges*	49.28	(8.42)	186.88
Distributions on income shares	(33.90)	(32.31)	(25.64)
Closing net asset value per share	732.82	717.44	758.17
* after direct transaction costs of:	1.18	0.67	0.41
Performance			
Return after charges	6.87%	(1.11)%	31.31%
Other information			
Closing net asset value (£'000)	63,334	63,474	74,121
Closing number of shares	8,642,567	8,847,207	9,776,306
Operating charges	1.13%	1.13%	1.13%
Direct transaction costs	0.16%	0.09%	0.06%
Prices[^]			
Highest share price	806.90	783.50	770.10
Lowest share price	665.90	686.50	565.30

Class M Accumulation

	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Change in net assets per share			
Opening net asset value per share	221.23	222.99	168.55
Return before operating charges*	17.81	(0.14)	55.83
Operating charges	(1.69)	(1.62)	(1.39)
Return after operating charges*	16.12	(1.76)	54.44
Distributions on accumulation shares	(10.65)	(9.68)	(7.36)
Retained distributions on accumulation shares	10.65	9.68	7.36
Closing net asset value per share	237.35	221.23	222.99
* after direct transaction costs of:	0.37	0.20	0.12
Performance			
Return after charges	7.29%	(0.79)%	32.20%
Other information			
Closing net asset value (£'000)	593,473	453,742	514,052
Closing number of shares	250,041,867	205,100,604	230,529,017
Operating charges	0.72%	0.72%	0.72%
Direct transaction costs	0.16%	0.09%	0.06%
Prices[^]			
Highest share price	251.50	235.30	224.10
Lowest share price	205.50	206.00	159.80

Class M Income

	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Change in net assets per share			
Opening net asset value per share	769.44	810.11	634.95
Return before operating charges*	61.97	0.06	207.68
Operating charges	(5.78)	(5.80)	(5.18)
Return after operating charges*	56.19	(5.74)	202.50
Distributions on income shares	(36.44)	(34.93)	(27.34)
Closing net asset value per share	789.19	769.44	810.11
* after direct transaction costs of:	1.27	0.72	0.43
Performance			
Return after charges	7.30%	(0.71)%	31.89%
Other information			
Closing net asset value (£'000)	278,733	272,679	357,733
Closing number of shares	35,318,999	35,438,766	44,158,431
Operating charges	0.72%	0.72%	0.72%
Direct transaction costs	0.16%	0.09%	0.06%
Prices[^]			
Highest share price	867.10	839.00	822.70
Lowest share price	714.50	734.90	601.90

Class R Accumulation

	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Change in net assets per share			
Opening net asset value per share	117.79	117.95	88.57
Return before operating charges*	9.49	(0.09)	29.44
Operating charges	(0.08)	(0.07)	(0.06)
Return after operating charges*	9.41	(0.16)	29.38
Distributions on accumulation shares	(5.69)	(5.15)	(3.88)
Retained distributions on accumulation shares	5.69	5.15	3.88
Closing net asset value per share	127.20	117.79	117.95
* after direct transaction costs of:	0.20	0.11	0.06
Performance			
Return after charges	7.99%	(0.14)%	33.17%
Other information			
Closing net asset value (£'000)	164,330	166,872	192,119
Closing number of shares	129,193,967	141,669,947	162,887,015
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.16%	0.09%	0.06%
Prices[^]			
Highest share price	134.30	124.90	118.50
Lowest share price	109.50	109.40	84.04

Comparative Tables (continued)

Class S Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	111.33	111.49	83.73
Return before operating charges*	8.97	(0.08)	27.84
Operating charges	(0.10)	(0.08)	(0.08)
Return after operating charges*	8.87	(0.16)	27.76
Distributions on accumulation shares	(5.38)	(4.84)	(3.67)
Retained distributions on accumulation shares	5.38	4.84	3.67
Closing net asset value per share	120.20	111.33	111.49
* after direct transaction costs of:	0.19	0.10	0.06
Performance			
Return after charges	7.97%	(0.14)%	33.15%
Other information			
Closing net asset value (£'000)	6	6	6
Closing number of shares	5,000	5,000	5,000
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.16%	0.09%	0.06%
Prices[^]			
Highest share price	126.90	118.10	112.00
Lowest share price	103.50	103.40	79.46

Class Z Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	107.93	108.71	82.10
Return before operating charges*	8.67	(0.08)	27.22
Operating charges	(0.73)	(0.70)	(0.61)
Return after operating charges*	7.94	(0.78)	26.61
Distributions on accumulation shares	(5.20)	(4.71)	(3.59)
Retained distributions on accumulation shares	5.20	4.71	3.59
Closing net asset value per share	115.87	107.93	108.71
* after direct transaction costs of:	0.18	0.10	0.06
Performance			
Return after charges	7.36%	(0.72)%	32.41%
Other information			
Closing net asset value (£'000)	1,620	5,273	7,811
Closing number of shares	1,398,422	4,885,604	7,185,309
Operating charges	0.64%	0.64%	0.64%
Direct transaction costs	0.16%	0.09%	0.06%
Prices[^]			
Highest share price	122.70	114.70	109.20
Lowest share price	100.20	100.50	77.84

Class Z Income

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	115.38	121.88	95.47
Return before operating charges*	9.30	(0.30)	31.21
Operating charges	(0.77)	(0.77)	(0.69)
Return after operating charges*	8.53	(1.07)	30.52
Distributions on income shares	(5.47)	(5.43)	(4.11)
Closing net asset value per share	118.44	115.38	121.88
* after direct transaction costs of:	0.19	0.11	0.06
Performance			
Return after charges	7.39%	(0.88)%	31.97%
Other information			
Closing net asset value (£'000)	33,532	60,064	380,768
Closing number of shares	28,310,763	52,056,214	312,400,197
Operating charges	0.64%	0.64%	0.64%
Direct transaction costs	0.16%	0.09%	0.06%
Prices[^]			
Highest share price	130.10	125.80	123.80
Lowest share price	107.20	110.30	90.51

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 98.55% (31/08/22 – 98.72%)			
Oil & Gas – 11.09% (31/08/22 – 12.24%)			
Oil & Gas Producers – 11.09%			
	8,750,000 BP	42,656	3.76
	3,450,000 Shell	83,197	7.33
Total Oil & Gas		125,853	11.09
Basic Materials – 6.56% (31/08/22 – 7.42%)			
Chemicals – 1.36%			
	950,000 Johnson Matthey	15,485	1.36
Mining – 5.20%			
	970,000 Anglo American	20,370	1.80
	4,250,000 Glencore	17,910	1.58
	425,000 Rio Tinto	20,708	1.82
Total Basic Materials		74,473	6.56
Industrials – 13.56% (31/08/22 – 13.65%)			
Construction & Materials – 1.08%			
	4,500,000 Marshalls	12,375	1.08
General Industrials – 2.81%			
	1,450,000 Smiths Group	23,780	2.10
	1,542,000 Videndum	8,003	0.71
Electronic & Electrical Equipment – 2.49%			
	850,000 Spectris	28,262	2.49
Industrial Engineering – 2.81%			
	2,125,000 IMI	31,918	2.81
Industrial Transportation – 0.36%			
	150,000 Clarkson	4,057	0.36
Support Services – 4.01%			
	325,000 DCC	14,063	1.24
	9,000,000 De La Rue	5,022	0.44
	615,000 Diploma	19,262	1.70
	1,420,000 Ricardo	7,128	0.63
Total Industrials		153,870	13.56
Consumer Goods – 12.91% (31/08/22 – 13.00%)			
Food Producers – 1.18%			
	396,669 Cranswick	13,368	1.18
Household Goods – 1.61%			
	16,000,000 Taylor Wimpey	18,280	1.61
Personal Goods – 3.53%			
	990,000 Unilever	40,016	3.53
Tobacco – 6.59%			
	1,575,000 British American Tobacco	41,296	3.64
	1,875,000 Imperial Brands	33,553	2.95
Total Consumer Goods		146,513	12.91
Healthcare – 10.99% (31/08/22 – 9.94%)			
Pharmaceuticals & Biotechnology – 10.99%			
	640,000 AstraZeneca	68,224	6.01
	2,100,000 GSK	29,165	2.57
	1,250,000 Hikma Pharmaceuticals	27,362	2.41
Total Healthcare		124,751	10.99

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Consumer Services – 11.16% (31/08/22 – 9.34%)			
General Retailers – 3.04%			
	1,824,961 Dunelm	21,206	1.87
	908,121 WH Smith	13,313	1.17
Media – 7.61%			
	3,500,000 Informa	25,578	2.25
	28,600,000 ITV	20,243	1.78
	1,575,000 RELX	40,588	3.58
Travel & Leisure – 0.51%			
	13,500,000 Restaurant Group	5,737	0.51
Total Consumer Services		126,665	11.16
Utilities – 3.24% (31/08/22 – 7.65%)			
Electricity – 1.23%			
	2,540,000 Drax	14,021	1.23
Gas, Water & Multiutilities – 2.01%			
	2,300,000 National Grid	22,775	2.01
Total Utilities		36,796	3.24
Financials – 26.30% (31/08/22 – 23.15%)			
Banks – 5.06%			
	5,950,000 HSBC	34,694	3.06
	9,875,000 Natwest Group	22,752	2.00
Non-Life Insurance – 0.19%			
	1,180,000 Personal Group	2,195	0.19
Life Insurance – 4.18%			
	6,149,884 Aviva	23,074	2.03
	4,950,000 Chesnara	13,464	1.19
	5,000,000 Legal & General	10,930	0.96
Financial Services – 12.88%			
	1,850,000 3i Group	36,880	3.25
	2,250,035 Close Brothers	18,462	1.63
	3,275,000 IG Group	22,155	1.95
	1,250,000 Intermediate Capital Group	16,906	1.49
	4,450,000 Investec	20,795	1.83
	5,025,000 Ninety One	8,608	0.76
	4,250,000 Paragon Banking Group	22,376	1.97
Real Estate Investment Trusts – 3.99%			
	4,450,000 Land Securities	26,807	2.36
	2,499,800 Segro	18,434	1.63
Total Financials		298,532	26.30
Technology – 2.74% (31/08/22 – 2.33%)			
Software & Computer Services – 2.74%			
	3,200,000 Sage	31,072	2.74
Total Technology		31,072	2.74
Total value of investments		1,118,525	98.55
Net other assets		16,503	1.45
Total net assets		1,135,028	100.00

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 2023

Significant Purchases

	Cost £'000
HSBC	31,366
Natwest Group	27,492
Glencore	18,602
Drax	15,184
DCC	14,851
Shell	14,145
Cranswick	12,045
Legal & General	11,464
AstraZeneca	10,311
RELX	7,923
Subtotal	163,383
Total cost of purchases, including the above, for the year	294,700

Significant Sales

	Proceeds £'000
United Utilities Group	22,371
Rio Tinto	22,212
Severn Trent	20,058
BP	19,292
3i Group	14,553
Pennon Group	12,748
Paragon Banking Group	11,176
IG Group	11,096
Dunelm	10,807
Shell	10,224
Subtotal	154,537
Total proceeds from sales, including the above, for the year	214,123

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital gains/ (losses)	2	28,895	(61,823)
Revenue	3	50,162	54,770
Expenses	4	(6,960)	(8,087)
Interest payable and similar charges	(5)	–	–
Net revenue before taxation		43,197	46,683
Taxation	5	–	–
Net revenue after taxation		43,197	46,683
Total return/(deficit) before distributions		72,092	(15,140)
Distributions	6	(49,656)	(54,349)
Change in net assets attributable to shareholders from investment activities		22,436	(69,489)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		1,118,525	1,009,025
Current assets:			
Debtors	7	11,877	9,867
Cash and bank balances	8	11,278	11,087
Total assets		1,141,680	1,029,979
Liabilities			
Creditors:			
Other creditors	9	1,758	2,486
Distribution payable		4,894	5,383
Total liabilities		6,652	7,869
Net assets attributable to shareholders		1,135,028	1,022,110

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	1,022,110	1,526,610
Amounts receivable on creation of shares	263,305	86,618
Amounts payable on cancellation of shares	(207,217)	(551,760)
	56,088	(465,142)
Dilution adjustment charged	1,704	958
Change in net assets attributable to shareholders from investment activities	22,436	(69,489)
Retained distribution on accumulation shares	32,680	29,164
Unclaimed distributions	10	9
Closing net assets attributable to shareholders	1,135,028	1,022,110

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains/(losses)

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	28,924	(61,831)
Currency (losses)/gains	(29)	8
Net capital gains/(losses)	28,895	(61,823)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	47,237	52,665
Overseas dividends	413	–
Property investment income (PID)	1,869	1,978
Bank interest	595	71
Stock lending income	48	56
Total revenue	50,162	54,770

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	6,960	8,087
Total expenses	6,960	8,087

* Audit fee £17,464 (31/08/22: £16,632) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Corporation tax	–	–
Current tax charge for the year	–	–

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	43,197	46,683
Corporation tax at 20% (31/08/22: 20%)	8,639	9,337
Effects of:		
Revenue not subject to taxation	(9,530)	(10,534)
Current year management expenses not utilised	891	1,197
Current tax charge for the year	–	–

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £24,857,000 (31/08/22: £23,966,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
First Interim	5,422	6,147
Second Interim	5,810	6,519
Third Interim	11,683	8,111
Final	9,765	8,387
	32,680	29,164
Income shares		
First Interim	3,436	6,342
Second Interim	3,398	5,580
Third Interim	5,809	5,670
Final	4,894	5,383
	17,537	22,975
	50,217	52,139
Add: Amounts deducted on cancellation of shares	1,223	2,690
Deduct: Amounts received on the creation of shares	(1,784)	(480)
Net distributions for the year	49,656	54,349

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	43,197	46,683
Expenses charged to capital	6,960	8,087
Tax relief on expenses charged to capital	(501)	(421)
Net distributions for the year	49,656	54,349

Details of the distribution per share are set out on pages 131 to 134.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	884	160
Sales awaiting settlement	2,246	2,295
Accrued revenue	8,747	7,412
Total debtors	11,877	9,867

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	11,278	11,087
Total cash and bank balances	11,278	11,087

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	1,131	1,905
Accrued expenses	627	581
Total other creditors	1,758	2,486

10. Reconciliation of number of shares

	Class A Income
Opening shares at 01/09/22	8,847,207
Shares issued	398,887
Shares cancelled	(580,306)
Shares converted	(23,221)
Closing shares at 31/08/23	8,642,567

	Class M Accumulation	Class M Income
Opening shares at 01/09/22	205,100,604	35,438,766
Shares issued	94,519,157	2,305,438
Shares cancelled	(49,083,360)	(2,597,637)
Shares converted	(494,534)	172,432
Closing shares at 31/08/23	250,041,867	35,318,999

	Class R Accumulation	Class S Accumulation
Opening shares at 01/09/22	141,669,947	5,000
Shares issued	10,375,205	–
Shares cancelled	(22,851,185)	–
Shares converted	–	–
Closing shares at 31/08/23	129,193,967	5,000

	Class Z Accumulation	Class Z Income
Opening shares at 01/09/22	4,885,604	52,056,214
Shares issued	2,223,162	4,123,604
Shares cancelled	(5,710,344)	(27,824,996)
Shares converted	–	(44,059)
Closing shares at 31/08/23	1,398,422	28,310,763

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

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/22: 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 £875,000 (31/08/22: £2,327,000).

At the year end, 31 August 2023, 99.93% (31/08/22: 31.67%) 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 £12,000 (Gross: £60,000) (31/08/22: £14,000 (Gross: £70,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £37,976,000 (31/08/22: £51,111,000).

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

Asset class	31 Aug 2023	31 Aug 2022
	Collateral Held £'000	Collateral Held £'000
Equity	12,341	21,610
Bonds	27,875	32,191

The aggregate value of collateral held at the balance sheet date was £40,216,000 (31/08/22: £53,801,000).

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, JP Morgan Securities, Merrill Lynch International, Morgan Stanley Securities and Natixis.

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 124. 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 2023 £'000	31 Aug 2022 £'000
Sterling	1,132,094	1,019,321
Euro	2	2
US dollar	2,932	2,787
Total	1,135,028	1,022,110

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 £293,000 (31/08/22: £279,000). 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 £293,000 (31/08/22: £279,000). 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 £111,853,000 (31/08/22: £100,902,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £111,853,000 (31/08/22: £100,902,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £11,278,000 (31/08/22: £11,087,000) which earn interest by reference to SONIA or international equivalent. This equates to 0.99% of the current Net Asset Value and 1.08% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

15. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	293,096	157	0.05	1,309	0.45	138	0.05	294,700
Total	293,096	157		1,309		138		294,700

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	212,775	113	0.05	–	–	–	–	212,662
Corporate actions	1,461	–	–	–	–	–	–	1,461
Total	214,236	113		–		–		214,123

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.03%
Taxes	0.12%
Other expenses	0.01%

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
Total	140,718	75		608		78		141,479

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
Total	565,152	377		–		1		564,774

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%

At the balance sheet date the portfolio dealing spread was 0.08% (31/08/22: 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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	1,118,525	–	–	1,118,525
Total	1,118,525	–	–	1,118,525

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	1,009,025	–	–	1,009,025
Total	1,009,025	–	–	1,009,025

17. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £1,153,149,237. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 1.18%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

First Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 30 November 2022

	Net income	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
Class A Income				
Group 1	6.5564	–	6.5564	6.6588
Group 2	3.1217	3.4347	6.5564	6.6588
Class M Accumulation				
Group 1	2.0230	–	2.0230	1.9920
Group 2	1.2065	0.8165	2.0230	1.9920
Class M Income				
Group 1	7.0357	–	7.0357	7.2773
Group 2	3.5662	3.4695	7.0357	7.2773
Class R Accumulation				
Group 1	1.0781	–	1.0781	1.0460
Group 2	0.6884	0.3897	1.0781	1.0460
Class S Accumulation				
Group 1	1.0190	–	1.0190	0.9684
Group 2	1.0190	0.0000	1.0190	0.9684
Class Z Accumulation				
Group 1	0.9871	–	0.9871	0.9475
Group 2	0.5610	0.4261	0.9871	0.9475
Class Z Income				
Group 1	1.0552	–	1.0552	1.2267
Group 2	0.7070	0.3482	1.0552	1.2267

Distribution Tables (continued)

For the year ended 31 August 2023

Distribution in pence per share**Second Interim**

Group 1: Shares purchased prior to 1 December 2022

Group 2: Shares purchased between 1 December 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class A Income				
Group 1	6.6345	–	6.6345	7.0565
Group 2	3.5668	3.0677	6.6345	7.0565
Class M Accumulation				
Group 1	2.0668	–	2.0668	2.0626
Group 2	0.3035	1.7633	2.0668	2.0626
Class M Income				
Group 1	7.1267	–	7.1267	7.7249
Group 2	3.9258	3.2009	7.1267	7.7249
Class R Accumulation				
Group 1	1.1032	–	1.1032	1.1152
Group 2	0.6036	0.4996	1.1032	1.1152
Class S Accumulation				
Group 1	1.0426	–	1.0426	1.0480
Group 2	1.0426	0.0000	1.0426	1.0480
Class Z Accumulation				
Group 1	1.0087	–	1.0087	1.0180
Group 2	0.7477	0.2610	1.0087	1.0180
Class Z Income				
Group 1	1.0691	–	1.0691	1.2179
Group 2	0.5532	0.5159	1.0691	1.2179

Distribution Tables (continued)

For the year ended 31 August 2023

Distribution in pence per share**Third Interim**

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 May 2023

	Net income	Equalisation	Distribution paid 31/07/23	Distribution paid 31/07/22
Class A Income				
Group 1	11.1587	–	11.1587	8.8461
Group 2	3.1948	7.9639	11.1587	8.8461
Class M Accumulation				
Group 1	3.5087	–	3.5087	2.6560
Group 2	2.0167	1.4920	3.5087	2.6560
Class M Income				
Group 1	11.9972	–	11.9972	9.4724
Group 2	4.5889	7.4083	11.9972	9.4724
Class R Accumulation				
Group 1	1.8754	–	1.8754	1.4105
Group 2	1.1193	0.7561	1.8754	1.4105
Class S Accumulation				
Group 1	1.7724	–	1.7724	1.3332
Group 2	1.7724	0.0000	1.7724	1.3332
Class Z Accumulation				
Group 1	1.7125	–	1.7125	1.2954
Group 2	0.9553	0.7572	1.7125	1.2954
Class Z Income				
Group 1	1.8000	–	1.8000	1.4207
Group 2	1.1289	0.6711	1.8000	1.4207

Distribution Tables (continued)

For the year ended 31 August 2023

Distribution in pence per share**Final**

Group 1: Shares purchased prior to 1 June 2023

Group 2: Shares purchased between 1 June 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class A Income				
Group 1	9.5517	–	9.5517	9.7512
Group 2	5.4661	4.0856	9.5517	9.7512
Class M Accumulation				
Group 1	3.0525	–	3.0525	2.9651
Group 2	1.8342	1.2183	3.0525	2.9651
Class M Income				
Group 1	10.2818	–	10.2818	10.4527
Group 2	5.1797	5.1021	10.2818	10.4527
Class R Accumulation				
Group 1	1.6346	–	1.6346	1.5774
Group 2	0.8851	0.7495	1.6346	1.5774
Class S Accumulation				
Group 1	1.5448	–	1.5448	1.4910
Group 2	1.5448	0.0000	1.5448	1.4910
Class Z Accumulation				
Group 1	1.4901	–	1.4901	1.4465
Group 2	0.7148	0.7753	1.4901	1.4465
Class Z Income				
Group 1	1.5429	–	1.5429	1.5673
Group 2	0.8761	0.6668	1.5429	1.5673

Royal London UK Equity Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Equity Fund, Class M Accumulation	7.05	37.48	21.85
Royal London UK Equity Fund, Class R Accumulation	7.78	40.16	–
FTSE® All Share Total Return Index	5.23	34.95	18.39
IA UK All Companies TR	3.79	22.84	8.41

Class R Accumulation launched on 22 November 2018 and Class S Accumulation launched on 3 May 2023.

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Performance overview

The Fund delivered positive returns during the period, outperforming the benchmark FTSE® All-Share Index. Positive stock selection across the portfolio contributed to outperformance.

Market overview

Over the past 12 months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Portfolio commentary

Generally, the portfolio performed well over the period with significant positive contributions from 3I, Ashtead and Sage. 3I, the private equity group which owns a material stake in Action, the European discount chain continues to perform strongly. Ashtead continues to benefit from the strength of the US economy and the drive to re-shore industrial manufacturing capacity. Sage the software provider to small and medium companies delivered strong growth in the business and as a result was re-rated.

Areas of disappointment include the performance of holdings such as Croda, Pennon and Segro. Croda the specialist chemical company warned of lower profits and sales as a result of customers destocking rather than re-ordering to meet demand. This has been a strong trend over the year to date as companies seek to preserve working capital. Pennon disappointed generally on its numbers and has been affected by a general concern on water companies and their emissions of sewage. Finally, Segro the real estate company with exposure to last mile urban warehousing has suffered as the rise in interest rates has resulted in a decline in its net asset value.

Manager's Investment Report (continued)

Investment outlook

There is considerable uncertainty about the outlook for the remainder of 2023. Monetary authorities have continued to raise interest rates and many investors fear that this could tip economies into a hard-landing recession, although the hard data remain mixed at this stage.

We believe our approach of investing in a broad range of companies who are in control of their own fates, irrespective of market conditions is the right one. As well as looking for durable businesses, a willingness to look through short-term extremes of sentiment and buy stocks when they are out of favour, or take profits when sentiment becomes exuberant should drive longer-term performance.

Joe Walters
Fund Manager
Royal London Asset Management Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class M Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	194.28	191.49	150.61
Return before operating charges*	14.08	4.10	42.02
Operating charges	(1.37)	(1.31)	(1.14)
Return after operating charges*	12.71	2.79	40.88
Distributions on accumulation shares	(5.84)	(5.48)	(4.60)
Retained distributions on accumulation shares	5.84	5.48	4.60
Closing net asset value per share	206.99	194.28	191.49
* after direct transaction costs of:	0.09	0.09	0.08
Performance			
Return after charges	6.54%	1.46%	27.14%
Other information			
Closing net asset value (£'000)	41,640	38,883	40,210
Closing number of shares	20,117,025	20,013,903	20,998,800
Operating charges	0.67%	0.67%	0.67%
Direct transaction costs	0.04%	0.04%	0.05%
Prices[^]			
Highest share price	215.70	202.30	192.80
Lowest share price	182.50	181.60	142.00

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	124.60	122.03	95.38
Return before operating charges*	9.04	2.62	26.69
Operating charges	(0.05)	(0.05)	(0.04)
Return after operating charges*	8.99	2.57	26.65
Distributions on accumulation shares	(4.59)	(4.29)	(3.61)
Retained distributions on accumulation shares	4.59	4.29	3.61
Closing net asset value per share	133.59	124.60	122.03
* after direct transaction costs of:	0.06	0.05	0.05
Performance			
Return after charges	7.22%	2.11%	27.94%
Other information			
Closing net asset value (£'000)	643,322	653,649	664,104
Closing number of shares	481,573,249	524,597,882	544,211,878
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.04%	0.04%	0.05%
Prices[^]			
Highest share price	138.80	129.50	122.90
Lowest share price	117.10	116.10	90.05

Class S Accumulation

Change in net assets per share	31/08/23* (p)
Opening net asset value per share	100.00
Return before operating charges*	(2.10)
Operating charges	(0.01)
Return after operating charges*	(2.11)
Distributions on accumulation shares	(1.39)
Retained distributions on accumulation shares	1.39
Closing net asset value per share	97.89
* after direct transaction costs of:	0.04
Performance	
Return after charges	(2.11)%
Other information	
Closing net asset value (£'000)	8,574
Closing number of shares	8,759,214
Operating charges	0.04%
Direct transaction costs	0.04%
Prices[^]	
Highest share price	100.80
Lowest share price	94.52

* Class S Accumulation launched on 3 May 2023, hence there are no comparatives.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 97.37% (31/08/22 – 97.10%)			
Oil & Gas –11.65% (31/08/22 – 11.91%)			
Oil & Gas Producers – 11.65%			
	5,768,882 BP	28,123	4.06
	2,183,709 Shell	52,660	7.59
Total Oil & Gas		80,783	11.65
Basic Materials – 7.31% (31/08/22 – 9.03%)			
Chemicals – 1.38%			
	115,559 Croda International	6,379	0.92
	212,475 Victrex	3,189	0.46
Mining – 5.93%			
	268,609 Anglo American	5,641	0.81
	4,027,758 Glencore	16,973	2.45
	379,672 Rio Tinto	18,499	2.67
Total Basic Materials		50,681	7.31
Industrials – 15.08% (31/08/22 – 12.48%)			
Aerospace & Defence – 1.97%			
	901,076 BAE Systems	9,078	1.31
	2,057,175 Rolls-Royce	4,571	0.66
Construction & Materials – 0.68%			
	104,243 CRH	4,738	0.68
General Industrials – 0.64%			
	1,427,897 Smith (DS)	4,458	0.64
Electronic & Electrical Equipment – 0.89%			
	186,121 Spectris	6,188	0.89
Industrial Engineering – 1.07%			
	73,643 Spirax-Sarco Engineering	7,460	1.07
Support Services – 9.83%			
	287,065 Ashtead Group	15,852	2.29
	281,402 Bunzl	7,961	1.15
	292,195 Diploma	9,152	1.32
	501,411 Experian	13,849	2.00
	670,186 Howdens Joinery	4,957	0.71
	967,023 Melrose Industries	4,957	0.71
	1,903,071 Rentokil Initial	11,430	1.65
Total Industrials		104,651	15.08
Consumer Goods – 17.05% (31/08/22 – 18.98%)			
Beverages – 3.39%			
	724,151 Diageo	23,488	3.39
Food Producers – 0.46%			
	1,358,504 SSP Group	3,192	0.46
Personal Goods – 6.24%			
	422,824 Burberry	9,234	1.33
	842,717 Unilever	34,063	4.91
Household Goods – 2.99%			
	246,905 Persimmon	2,632	0.38
	253,178 Reckitt Benckiser	14,431	2.08
	471,846 Vistry Group	3,692	0.53
Tobacco – 3.97%			
	566,517 British American Tobacco	14,854	2.14
	710,718 Imperial Brands	12,718	1.83
Total Consumer Goods		118,304	17.05

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Healthcare – 9.62% (31/08/22 –11.14%)			
Healthcare Equipment & Services – 0.76%			
	1,099,891 Haleon	3,547	0.51
	164,694 Smith & Nephew	1,761	0.25
Pharmaceuticals & Biotechnology – 8.86%			
	477,567 AstraZeneca	50,909	7.34
	761,179 GSK	10,571	1.52
Total Healthcare		66,788	9.62
Consumer Services – 9.82% (31/08/22 – 9.33%)			
Food & Drug Retailers – 1.39%			
	3,641,981 Tesco	9,677	1.39
General Retailers – 1.38%			
	81,689 Next	5,707	0.82
	266,970 WH Smith	3,914	0.56
Media – 2.84%			
	764,615 RELX	19,704	2.84
Travel & Leisure – 4.21%			
	945,622 Compass Group	18,846	2.72
	58,000 Intercontinental Hotels	3,453	0.50
	200,668 Whitbread	6,899	0.99
Total Consumer Services		68,200	9.82
Telecommunications – 0.00% (31/08/22 – 0.25%)			
Utilities – 4.32% (31/08/22 – 3.96%)			
Electricity – 1.63%			
	694,181 SSE	11,291	1.63
Gas, Water & Multiutilities – 2.69%			
	4,105,473 Centrica	6,220	0.90
	482,341 National Grid	4,776	0.69
	397,769 Pennon Group	2,564	0.37
	211,236 Severn Trent	5,070	0.73
Total Utilities		29,921	4.32
Financials – 21.08% (31/08/22 – 18.91%)			
Banks – 9.64%			
	4,545,051 Barclays	6,698	0.97
	5,478,483 HSBC	31,945	4.61
	32,508,556 Lloyds Banking Group	13,769	1.98
	1,675,715 NatWest Group	3,861	0.56
	1,486,795 Standard Chartered	10,580	1.52
Equity Investment Instruments – 0.20%			
	199,703 Scottish Mortgage Investment Trust	1,369	0.20
Financial Services – 6.03%			
	758,574 3i Group	15,122	2.18
	437,198 Close Brothers	3,587	0.52
	80,000 Intermediate Capital Group	1,082	0.16
	191,090 London Stock Exchange	15,620	2.25
	1,217,601 Paragon Banking Group	6,411	0.92
Life Insurance – 2.98%			
	712,844 Aviva	2,675	0.39
	1,550,432 Legal & General	3,389	0.49
	1,138,229 Prudential	10,998	1.59
	398,904 St James's Place Capital	3,529	0.51
Real Estate & Investment Services – 0.49%			
	370,185 Savills	3,370	0.49

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Financials – 21.08% (31/08/22 – 18.91%) – continued			
Real Estate Investment Trusts – 1.74%			
760,243	Segro	5,606	0.81
683,480	Unite Group	6,425	0.93
Total Financials		146,036	21.08
Technology – 1.44% (31/08/22 – 1.11%)			
Software & Computer Services – 1.44%			
1,025,762	Sage	9,960	1.44
Total Technology		9,960	1.44
Total value of investments		675,324	97.37
Net other assets		18,212	2.63
Total net assets		693,536	100.00

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 2023

Significant Purchases

	Cost £'000
HSBC	8,846
Unilever	6,480
Natwest Group	5,140
Centrica	4,552
Rolls-Royce	4,297
Standard Chartered	4,273
St James's Place Capital	3,568
Howdens Joinery	3,567
RELX	2,440
London Stock Exchange	2,401
Subtotal	45,564
Total cost of purchases, including the above, for the year	52,025

Significant Sales

	Proceeds £'000
Dechra Pharmaceuticals	5,187
British American Tobacco	5,085
BP	4,881
WPP	4,071
Rio Tinto	3,634
Smith & Nephew	3,629
Glencore	3,421
Shaftesbury	3,320
Barclays	2,801
AstraZeneca	2,550
Subtotal	38,579
Total proceeds from sales, including the above, for the year	74,005

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital gains/ (losses)	2	24,824	(9,569)
Revenue	3	24,823	24,425
Expenses	4	(537)	(533)
Net revenue before taxation		24,286	23,892
Taxation	5	(7)	(31)
Net revenue after taxation		24,279	23,861
Total return before distributions		49,103	14,292
Distributions	6	(24,279)	(23,861)
Change in net assets attributable to shareholders from investment activities		24,824	(9,569)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		675,324	672,478
Current assets:			
Debtors	7	6,242	5,687
Cash and bank balances	8	13,434	14,441
Total assets		695,000	692,606
Liabilities			
Creditors:			
Other creditors	9	1,464	74
Total liabilities		1,464	74
Net assets attributable to shareholders		693,536	692,532

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	692,532	704,314
Amounts receivable on creation of shares	12,701	1,549
Amounts payable on cancellation of shares	(60,424)	(27,396)
	(47,723)	(25,847)
Dilution adjustment charged	82	–
Change in net assets attributable to shareholders from investment activities	24,824	(9,569)
Retained distribution on accumulation shares	23,821	23,634
Closing net assets attributable to shareholders	693,536	692,532

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains/(losses)

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	24,826	(9,569)
Currency losses	(2)	–
Net capital gains/(losses)	24,824	(9,569)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	23,669	23,411
Overseas dividends	336	575
Property investment income (PID)	356	355
Bank interest	432	56
Stock lending income	30	28
Total revenue	24,823	24,425

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	537	533
Total expenses	537	533

* Audit fee £14,008 (31/08/22: £13,340) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	–	6
Reclaimable tax written off	7	25
Current tax charge for the year	7	31

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	24,286	23,892
Corporation tax at 20% (31/08/22: 20%)	4,857	4,778

Effects of:

Revenue not subject to taxation	(4,801)	(4,797)
Current year expenses not utilised	(56)	19
Irrecoverable overseas tax	–	6
Reclaimable tax written off	7	25
Current tax charge for the year	7	31

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £30,040,000 (31/08/22: £30,096,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Interim	8,412	7,607
Final	15,410	16,027
	23,822	23,634
Add: Amounts deducted on cancellation of shares	544	237
Deduct: Amounts received on the creation of shares	(87)	(10)
Net distributions for the year	24,279	23,861

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	24,279	23,861
Net distributions for the year	24,279	23,861

Details of the distribution per share are set out on page 147.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	44	–
Sales awaiting settlement	966	–
Accrued revenue	5,225	5,671
Overseas withholding tax recoverable	7	16
Total debtors	6,242	5,687

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	13,434	14,441
Total cash and bank balances	13,434	14,441

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	13	28
Purchases awaiting settlement	1,405	–
Accrued expenses	46	46
Total other creditors	1,464	74

10. Reconciliation of number of shares

	Class M Accumulation	Class R Accumulation
Opening shares at 01/09/22	20,013,903	524,597,882
Shares issued	1,366,595	866,709
Shares cancelled	(1,263,473)	(43,891,342)
Closing shares at 31/08/23	20,117,025	481,573,249

	Class S Accumulation*
Opening shares at 03/03/23	–
Shares issued	8,858,019
Shares cancelled	(98,805)
Closing shares at 31/08/23	8,759,214

* Class S Accumulation launched on 3 May 2023.

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 (31/08/22: 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 £15,000 (31/08/22: £74,000).

At the year end, 31 August 2023, 94.34% (31/08/22: 96.33%) 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 2023

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 £8,000 (Gross: £38,000) (31/08/22: £7,000 (Gross: £35,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £39,395,000 (31/08/22: £27,890,000).

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

Asset class	31 Aug 2023	31 Aug 2022
	Collateral Held £'000	Collateral Held £'000
Equity	11,978	9,747
Bonds	29,838	19,690

The aggregate value of collateral held at the balance sheet date was £41,816,000 (31/08/22: £29,437,000).

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, JP Morgan Securities, 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 141. 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 2023 £'000	31 Aug 2022 £'000
Sterling	691,672	690,784
Euro	118	1
US dollar	1,746	1,747
Total	693,536	692,532

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 £412,000 (31/08/22: £175,000). 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 £412,000 (31/08/22: £175,000). 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 £67,532,000 (31/08/22: £67,248,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £67,532,000 (31/08/22: £67,248,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £13,434,000 (31/08/22: £14,441,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.94% of the current Net Asset Value and 2.09% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

15. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	51,745	21	0.04	156	0.30	103	0.20	52,025
Total	51,745	21		156		103		52,025

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	71,449	25	0.03	–	–	–	–	71,424
Corporate actions	2,581	–	–	–	–	–	–	2,581
Total	74,030	25		–		–		74,005

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/23.

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 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
Total	55,566	30		189		67		55,852

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
Total	59,385	21		–		–		59,364

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%

At the balance sheet date the portfolio dealing spread was 0.04% (31/08/22: 0.04%).

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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	675,324	–	–	675,324
Total	675,324	–	–	675,324

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	672,478	–	–	672,478
Total	672,478	–	–	672,478

17. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £697,559,098. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 0.56%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class M Accumulation				
Group 1	1.8369	–	1.8369	1.5607
Group 2	1.1808	0.6561	1.8369	1.5607
Class R Accumulation				
Group 1	1.5806	–	1.5806	1.3877
Group 2	1.4634	0.1172	1.5806	1.3877

Final

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 June 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class M Accumulation				
Group 1	4.0048	–	4.0048	3.9169
Group 2	1.9642	2.0406	4.0048	3.9169
Class R Accumulation				
Group 1	3.0072	–	3.0072	2.9057
Group 2	1.7639	1.2433	3.0072	2.9057
Class S Accumulation*				
Group 1	1.3940	–	1.3940	n/a
Group 2	0.7552	0.6388	1.3940	n/a

* Class S Accumulation launched on 3 May 2023.

Royal London UK Smaller Companies Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Smaller Companies Fund, Class M Accumulation	-7.39	-4.00	-2.44
Royal London UK Smaller Companies Fund, Class N Accumulation	-7.38	-3.83	-
Royal London UK Smaller Companies Fund, Class R Accumulation	-6.73	-1.82	-
FTSE® Small Cap ex Investment Trust Total Return GBP	1.86	40.44	16.66
IA UK Smaller Companies TR	-6.40	4.12	-2.03

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Performance overview

UK small and medium sized companies underperformed their larger FTSE® 100 counterparts over the year, as investors focussed on rising interest rates and the risks of a recession. In this environment the Fund underperformed its benchmark index, the FTSE® Small Cap ex-Investment Trusts Index.

While the Fund's underweight position in the real estate sector was a positive in terms of attribution (the sector sold off as interest rates and bond yields increased), the biggest detractor to performance came from the underweight allocation to the consumer discretionary sector. Consumer spending has so far proved more resilient this year than many commentators had feared, and this has been evidenced in the trading performances of retailers, pubs, restaurants and the travel industry in particular.

Market overview

Over the past months, equity market sentiment has been dominated by rising inflation and interest rate expectations. Stock specific newsflow has been secondary if not tertiary in investors minds, as inflation spiked following the Covid supply chain disruption and the Russian invasion of Ukraine – and remained stubbornly high for the last 12 months. The US Federal Reserve, European Central Bank and Bank of England have all increased interest rates in reaction. The UK's base rate ended the period at 5.25%, having started the at 1.75%, while 10-year gilt yields increased from 2.7% to 4.5%. The UK Consumer Price Index (CPI) rose by 6.7% in the 12 months to August 2023 and while this is the lowest reading since February 2022, inflation during 2023 has been considerably greater than expected at the start of the year.

This widespread increase in the cost of capital has put sustained pressure on equity market valuations, and in particular longer duration assets such 'growth' equities where a high proportion of cash flows are expected to be in the future and thereby sensitive to discount rates. In addition, companies with weak balance sheets have seen earnings forecasts downgraded as the cost of debt has increased. The de-rating in valuations of 'growth' stocks has been compounded by UK equity market outflows.

In 2022 UK stocks suffered record annual outflows for the seventh year in a row and 2023 has continued this trend with over £7bn of outflows so far (Morningstar, July 2023). Whether or not this is a function of Brexit, modest economic growth, turbulent domestic politics or the structure of the UK stock market, it is evident that asset allocators have lost faith in the ability of UK stocks to deliver returns on a par with US and international counterparts. At the time of writing the S&P 500 has returned around 15% in 2023 to date, vs 3% for the FTSE® 350. It is interesting to note that according to Berenberg (September, 2023), the 'super narrow' characteristics of the US market means that fewer S&P 500 stocks have outperformed in the US in 2023 to date than in any year since 1990!

These factors have all contributed to a big dislocation between the intrinsic value of many UK stocks, and their current share prices. UK equities currently trade on a 30-year record discount to global equities on a relative 12-month forward P/E basis (Berenberg, September 2023). As a result, stocks in this portfolio that were purchased using our 'Growth at a Reasonable Price' (GARP) strategy could be considered 'unreasonably' good value today because in many cases these companies have not suffered a diminution in their earnings power. Weak share price performances are not necessarily reflecting a permanent loss of capital, as balance sheets on the whole remain strong – portfolio companies are only 0.2x geared (ND/EBITDA) on average compared to 1.1x for the FTSE® Small Cap ex-IT index (Factset, August, 2023). It is strongly held belief therefore that the recovery potential remains substantial when sentiment eventually turns.

Manager's Investment Report (continued)

Market overview – continued

In the meantime there remains a vast dichotomy between public and private market valuations, as evidenced by a raft of takeover activity this year, despite the higher cost of capital. Depressed public markets valuations have proven highly attractive to private equity and industry acquirors, particularly in the healthcare and technology sectors. The Fund has been the beneficiary of private equity bids for Medica (IK Investment Partners), Ergomed (Permira), Instem (Archimed) and Blancco (Francisco Partners). While these bids have been at typical premiums (c. 30%+) to their undisturbed share prices, in all cases these companies' shares have previously traded at higher prices, reflecting the diminution of public market valuations following UK equity outflows and a challenging and uncertain economic backdrop.

There are positive aspects to the era of 'free money' coming to an end. A higher cost of capital brings a renewed focus on efficient allocation of capital by governments, corporates and consumers which, in the fullness of time, should lead to higher returns on new investments. Profitable and cash generative businesses with strong balance sheets and depressed earnings multiples, are in the enviable position of having an array of tools at their disposal to protect and enhance shareholder returns. Many companies have made use of surplus capital to deploy on share buybacks at the same time as accelerating investment into own organic growth, capacity expansion and product development. This has the effect of permanently shrinking the equity base and growing Earnings Per Share (EPS) and consequently shareholder returns. It is also a way of taking advantage of downward pressure on equity valuations from UK equity market outflows, and with equity earnings yields around 10% currently, it represents an attractive return on capital. Fund holdings such as Johnson Services Group, the textile rental business, Chemring, the countermeasures and sensors specialist, and Alfa Financial Software, the lease accounting software provider, are just a few examples of companies who have ongoing buybacks. In many cases, portfolio company management teams have also been significant purchasers of their own stock, as in the case of Hill & Smith, the galvanising specialist, Ricardo, the energy and environment consultant and Volex, the designer and manufacturer of advanced cabling and harnesses.

Unit holders may be aware that the Fund has been overweight in the technology sector for some time, a result of our process seeking out companies which benefit from secular growth thematics or economic tailwinds, that support end markets over long periods of time. Furthermore, technology companies often have the capacity to scale quickly on low levels of capital. Indeed, for many businesses, technology budgets have moved from being discretionary to strategic in nature and this has driven accelerated spend on software asset management, cyber security and cloud infrastructure. Bytes Technology, a leading value-added reseller and a long-term holding in the Fund, has been a significant beneficiary of this trend.

Artificial intelligence (AI) is another secular driver to add to this list, with corporate and investor attention sharply focussed on the threats and opportunities provided by the technology following the launch of OpenAI's updated intelligent assistant, Chat GPT-4, and Google's competing AI tool, Bard. Nvidia, the US computer chip design group, has already significantly increased earnings guidance twice this year, citing AI related demand. It is also clearly a threat to some business models, with US provider of online study guides Chegg, withdrawing profits guidance in May blaming use of AI tools by customers. While there are concerns that AI could disrupt certain business models, most of the companies that we speak with suggest that AI is already a part of their technology infrastructure and is likely to improve efficiency and productivity, rather than replace business models. AI has been a significant driver of US stock market leadership.

Portfolio commentary

Hill & Smith was the top contributor in the period. Tighter monetary policy by central banks has reduced global Gross Domestic Product (GDP) growth expectations, and in an effort to support economic growth, many governments are now turning to fiscal stimulus. Hill & Smith is a significant beneficiary of the Bipartisan Infrastructure Law (signed late 2021), the CHIPS & Science Act, and Inflation Reduction Act (both 2022) – these initiatives have partially overlapping priorities but together introduce \$2 trillion in new federal spending over the next ten years. Hill & Smith has specific capabilities in galvanising, composites and engineered solutions across a range of infrastructure end markets. These skills, in combination with the disposal of their French galvanising business, have driven earnings growth this year and led to several upgrades of analyst expectations.

Other than those companies subject to bids, mentioned earlier, Hollywood Bowl was another positive contributor. The ten-pin bowling operator launched an international expansion plan into Canada in 2022, boosting the size of their addressable market with the acquisition of Splitville (five sites). At the same time UK trading has consistently surpassed expectations; bowling remains an affordable leisure past time and Hollywood Bowl has a c. 25% market share in the UK. Their growth ahead of this resilient end market reflects management's continued investment into sites to drive volumes and lower operating costs, while the business remains highly cash generative which provides surplus capital to return to shareholders in dividends as well as funding their Canadian expansion.

Inspecs and GB Group were two of the largest detractors. Inspecs, the eyewear designer and manufacturer, suffered last year from destocking amongst its European customer base as economies weakened. However demand has since picked up and the latest results showed positive organic growth in all territories as well as healthy cash generation. Their expansion of manufacturing capacity in Vietnam is underway and the management team recently bought shares.

Manager's Investment Report (continued)

Portfolio commentary – continued

GB Group has had to contend with very tough Covid-19 comparatives when their ID verification software solutions were in high demand in the US. Organic growth has since weakened in this division and tax, interest rates and currency have been further headwinds (US dollar has weakened). However, fraud detection and location services continue to grow at over 10% and we remain confident in their competitive position in ID verification. It was only last year that GB Group confirmed takeover interest from GTCR (although a firm bid failed to materialise).

The Fund initiated new positions in Volex and XPS Pensions. Volex is a market leading manufacturer of critical power and data transmission products; the Fund participated in an equity raise undertaken to fund a highly accretive acquisition. The business has been transformed as a result of the current management team into a higher-quality, higher margin business, which manufactures a wider range of products sold into a more attractive set of end markets. Volex will continue to deliver organic growth as a result of operating in growing markets and through gaining market share, as well as inorganic growth through future acquisitions. It retains a strong balance sheet and is attractively valued relative to the earnings growth on offer.

XPS provides consulting and administration services predominantly to defined benefit pension schemes. Over recent years, the company has heavily invested in their brand, technology and culture, which has significantly improved their competitive positioning, and we believe this now positions the business well in order to take market share. XPS is also attractively valued, in spite of the market anticipating double digit earnings growth and improving returns on capital.

Investment outlook

There is considerable uncertainty about the outlook for the rest of 2023 and clearly there is a risk that elevated interest rates could tip economies into a recession. However, corporate balance sheets remain very robust (meaning that the balance of power is in the hands of us as equity holders rather than the debt holders), cost inflation is now receding (freight rates, raw materials and energy prices are materially lower than in 2022) and much of the destocking and supply disruption following Covid appears to be moving into the rear-view mirror.

UK equity market valuations are currently at extreme levels. Indeed, the FTSE® 250 is trading at the cheapest levels in 30 years relative to the FTSE® 100 on a median 12-month forward dividend yield basis (Berenberg, September 2023). What has been interesting over the recent earnings season is how share prices have reacted to corporate newsflow. In several cases share prices have jumped significantly higher on in-line statements, suggesting investor sentiment has become overly negative. There is a reasonable argument to suggest that we are looking at a tempting combination of companies

trading on trough valuations and trough earnings forecasts! It is of course difficult to predict the catalyst for improved UK stock market performance, but a normalisation in macroeconomic conditions and an end to UK equity outflows might just trigger it.

Our focus has always been on the long term and we continue to seek out companies with the valuable fundamental attributes (scaleability, innovation, strong management teams, barriers to entry and unique assets) that will allow them to 'control the controllables' in any economic environment. We continue to believe that it is these fundamental attributes that drive stock prices over the long term, and macroeconomic data or technical headwinds such as asset allocation flow can lead to short-term mispricing. As such, we are excited by the opportunities currently on offer for UK smaller companies investors.

Henry Lowson
Fund Manager
Royal London Asset Management Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class M Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	251.49	369.96	243.16
Return before operating charges*	(16.05)	(116.10)	129.17
Operating charges	(1.89)	(2.37)	(2.37)
Return after operating charges*	(17.94)	(118.47)	126.80
Distributions on accumulation shares	(4.66)	(2.72)	(0.98)
Retained distributions on accumulation shares	4.66	2.72	0.98
Closing net asset value per share	233.55	251.49	369.96
* after direct transaction costs of:	0.19	0.18	0.21
Performance			
Return after charges	(7.13)%	(32.02)%	52.15%
Other information			
Closing net asset value (£'000)	21,646	19,905	14,162
Closing number of shares	9,268,496	7,914,592	3,827,994
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.08%	0.06%	0.07%
Prices[^]			
Highest share price	260.70	378.40	373.10
Lowest share price	227.90	254.30	236.30

Class N Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	136.72	200.97	131.98
Return before operating charges*	(8.73)	(63.05)	70.11
Operating charges	(0.94)	(1.20)	(1.12)
Return after operating charges*	(9.67)	(64.25)	68.99
Distributions on accumulation shares	(2.62)	(1.60)	(0.64)
Retained distributions on accumulation shares	2.62	1.60	0.64
Closing net asset value per share	127.05	136.72	200.97
* after direct transaction costs of:	0.10	0.10	0.11
Performance			
Return after charges	(7.07)%	(31.97)%	52.27%
Other information			
Closing net asset value (£'000)	4	4	7
Closing number of shares	3,327	3,327	3,327
Operating charges	0.70%	0.70%	0.70%
Direct transaction costs	0.08%	0.06%	0.07%
Prices[^]			
Highest share price	141.80	205.50	202.70
Lowest share price	123.90	138.30	128.30

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	108.65	158.67	103.53
Return before operating charges*	(6.97)	(49.97)	55.19
Operating charges	(0.04)	(0.05)	(0.05)
Return after operating charges*	(7.01)	(50.02)	55.14
Distributions on accumulation shares	(2.80)	(2.16)	(1.36)
Retained distributions on accumulation shares	2.80	2.16	1.36
Closing net asset value per share	101.64	108.65	158.67
* after direct transaction costs of:	0.08	0.08	0.09
Performance			
Return after charges	(6.45)%	(31.52)%	53.26%
Other information			
Closing net asset value (£'000)	248,445	292,670	435,780
Closing number of shares	244,437,137	269,359,159	274,647,875
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.08%	0.06%	0.07%
Prices[^]			
Highest share price	113.00	162.30	160.00
Lowest share price	98.56	109.90	100.70

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 97.67% (31/08/22 – 96.88%)			
Oil & Gas – 5.12% (31/08/22 – 4.42%)			
Alternative Energy – 2.61%			
1,150,000	Porvair	7,038	2.61
Oil & Gas Producers – 2.51%			
2,750,000	Serica Energy	6,792	2.51
Total Oil & Gas		13,830	5.12
Basic Materials – 2.03% (31/08/22 – 1.64%)			
Chemicals – 2.03%			
1,000,000	Treant	5,490	2.03
Total Basic Materials		5,490	2.03
Industrials – 27.98% (31/08/22 – 25.72%)			
Aerospace & Defence – 2.14%			
2,000,000	Chemring	5,780	2.14
Construction & Materials – 4.76%			
2,979,571	Eurocell	3,248	1.20
1,200,000	Marshalls	3,300	1.22
640,000	Renew Holdings	4,589	1.70
1,544,624	Stelrad Group	1,730	0.64
Electronic & Electrical Equipment – 3.71%			
660,235	Gooch & Housego	3,341	1.24
195,000	Oxford Instruments	4,309	1.60
721,680	Volex	2,342	0.87
General Industrials – 1.45%			
1,500,000	Macfarlane	1,582	0.59
445,000	Videndum	2,310	0.86
Industrial Engineering – 2.75%			
415,000	Hill & Smith	7,428	2.75
Industrial Transportation – 0.68%			
559,666	Fisher (James) & Sons	1,839	0.68
Support Services – 12.49%			
1,500,000	Blanco Technology	3,360	1.24
5,250,000	Boku	7,403	2.74
440,000	discoverIE Group	3,208	1.19
3,700,000	Johnson Service Group	4,388	1.62
4,200,000	Kin and Carta	3,423	1.27
1,450,000	Restore	2,595	0.96
830,000	Ricardo	4,167	1.54
850,000	Robert Walters	3,119	1.15
875,000	RWS Holdings	2,109	0.78
Total Industrials		75,570	27.98

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Consumer Goods – 5.75% (31/08/22 – 7.59%)			
Food Producers – 3.43%			
165,000	Cranswick	5,560	2.06
550,000	Hilton Food	3,701	1.37
Household Goods – 0.88%			
187,216	Churchill China	2,378	0.88
Leisure Goods – 1.44%			
762,277	Focusrite	3,888	1.44
Total Consumer Goods		15,527	5.75
Healthcare – 7.36% (31/08/22 – 9.30%)			
Healthcare Equipment & Services – 3.82%			
2,557,556	Advanced Medical Solutions	6,522	2.42
3,750,000	Inspeck Group	3,788	1.40
Pharmaceuticals & Biotechnology – 3.54%			
425,000	Ergomed	4,437	1.64
220,000	Genus	5,122	1.90
Total Healthcare		19,869	7.36
Consumer Services – 18.62% (31/08/22 – 14.77%)			
General Retailers – 8.10%			
1,715,455	Alpha Financial Markets	5,918	2.19
3,600,000	City Pub Group	3,132	1.16
2,577,605	Halfords	4,712	1.75
911,000	Keystone Law Group	3,917	1.45
2,250,000	XPS Pension	4,196	1.55
Media – 5.80%			
465,000	Bloomsbury Publishing	1,920	0.71
2,131,579	Reach	1,565	0.58
1,390,000	STV	2,648	0.98
1,525,000	Wilmington	4,666	1.73
565,000	YouGov	4,859	1.80
Travel & Leisure – 4.72%			
515,000	Fuller Smith & Turner	2,874	1.06
3,100,000	Hollywood Bowl	7,331	2.72
1,125,000	Patisserie Holdings*	–	–
6,000,000	Restaurant Group	2,550	0.94
Total Consumer Services		50,288	18.62
Financials – 9.21% (31/08/22 – 11.23%)			
Financial Services – 7.63%			
1,800,000	AJ Bell	5,220	1.93
408,571	Liontrust Asset Management	2,692	1.00
400,000	Mattioli Woods	2,320	0.85
555,000	Mortgage Advice Bureau	2,997	1.11
1,050,000	OSB Group	3,583	1.33
775,000	Tatton Asset Management	3,805	1.41
Real Estate Investment Trusts – 1.58%			
5,000,000	Warehouse REIT	4,255	1.58
Total Financials		24,872	9.21

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Telecommunications – 2.28% (31/08/22 – 0.00%)			
Mobile Telecommunications – 2.28%			
	4,107,100 GlobalData	6,161	2.28
Total Telecommunications		6,161	2.28
Technology – 19.32% (31/08/22 – 22.21%)			
Software & Computer Services – 18.13%			
	3,800,000 Alfa Financial Software	5,776	2.14
	815,000 Auction Technology	5,770	2.13
	1,027,980 Big Technologies	2,508	0.93
	850,000 Bytes Technology Group	4,123	1.53
	285,000 Cerillion	3,506	1.30
	290,000 Craneware	3,857	1.43
	3,599,500 Eckoh	1,476	0.55
	560,000 FDM	3,220	1.19
	1,675,000 GB	3,806	1.41
	175,000 Instem	1,435	0.53
	2,050,000 Moonpig Group	3,456	1.28
	1,675,000 Team17 Group	5,561	2.06
	630,000 Tracsis	4,473	1.65
Technology Hardware & Equipment – 1.19%			
	300,000 Gamma Communications	3,216	1.19
Total Technology		52,183	19.32
Total value of investments		263,790	97.67
Net other assets		6,305	2.33
Total net assets		270,095	100.00

* 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 2023

Significant Purchases

	Cost £'000
Wilmington	4,561
XPS Pension	3,757
Moonpig Group	3,183
Blancco Technology	3,089
FDM	3,024
Marshalls	2,131
Bloomsbury Publishing	2,016
Volex	2,006
Macfarlane	1,615
Gooch & Housego	1,558
Subtotal	26,940
Total cost of purchases, including the above, for the year	50,009

Significant Sales

	Proceeds £'000
Medica Group	9,439
Oxford Instruments	5,042
Speedy Hire	4,043
Ergomed	3,965
Alpha Financial Markets	2,816
discoverIE Group	2,582
Gamma Communications	2,543
Cerillion	2,375
Learning Technologies	2,363
Aptitude Software	2,352
Subtotal	37,520
Total proceeds from sales, including the above, for the year	62,243

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital losses	2	(26,793)	(149,037)
Revenue	3	7,948	6,331
Expenses	4	(280)	(285)
Net revenue before taxation		7,668	6,046
Taxation	5	–	–
Net revenue after taxation		7,668	6,046
Total deficit before distributions		(19,125)	(142,991)
Distributions	6	(7,668)	(6,046)
Change in net assets attributable to shareholders from investment activities		(26,793)	(149,037)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	312,579	449,949
Amounts receivable on creation of shares	15,418	27,670
Amounts payable on cancellation of shares	(38,660)	(22,099)
	(23,242)	5,571
Dilution adjustment charged	46	55
Change in net assets attributable to shareholders from investment activities	(26,793)	(149,037)
Retained distribution on accumulation shares	7,505	6,041
Closing net assets attributable to shareholders	270,095	312,579

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		263,790	302,816
Current assets:			
Debtors	7	2,403	769
Cash and bank balances	8	4,569	9,032
Total assets		270,762	312,617
Liabilities			
Creditors:			
Other creditors	9	667	38
Total liabilities		667	38
Net assets attributable to shareholders		270,095	312,579

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital losses

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital losses during the year comprise:		
Non-derivative securities	(26,793)	(149,037)
Net capital losses	(26,793)	(149,037)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	7,346	5,902
Overseas dividends	20	95
Property investment income (PID)	240	290
Bank interest	342	44
Total revenue	7,948	6,331

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	280	285
Total expenses	280	285

* Audit fee £14,008 (31/08/22: £13,340) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Corporation tax	-	-
Current tax charge for the year	-	-

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	7,668	6,046
Corporation tax at 20% (31/08/22: 20%)	1,534	1,209

Effects of:

Revenue not subject to taxation	(1,474)	(1,200)
Current year expenses not utilised	(60)	(9)
Current tax charge for the year	-	-

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £3,816,000 (31/08/22: £3,876,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Interim	3,074	2,153
Final	4,431	3,888
	7,505	6,041
Add: Amounts deducted on cancellation of shares	240	89
Deduct: Amounts received on the creation of shares	(77)	(84)
Net distributions for the year	7,668	6,046

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	7,668	6,046
Net distributions for the year	7,668	6,046

Details of the distribution per share are set out on page 161.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	44	73
Sales awaiting settlement	1,631	–
Accrued revenue	728	696
Total debtors	2,403	769

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	4,569	9,032
Total cash and bank balances	4,569	9,032

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	19	14
Purchases awaiting settlement	625	–
Accrued expenses	23	24
Total other creditors	667	38

10. Reconciliation of number of shares

	Class M Accumulation	Class N Accumulation
Opening shares at 01/09/22	7,914,592	3,327
Shares issued	4,277,854	–
Shares cancelled	(2,923,950)	–
Closing shares at 31/08/23	9,268,496	3,327

	Class R Accumulation
Opening shares at 01/09/22	269,359,159
Shares issued	4,633,946
Shares cancelled	(29,555,968)
Closing shares at 31/08/23	244,437,137

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 (31/08/22: 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 £2,000 (31/08/22: £35,000).

At the year end, 31 August 2023, 96.35% (31/08/22: 97.14%) 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 2023

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 155. 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 £26,379,000 (31/08/22: £30,282,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £26,379,000 (31/08/22: £30,282,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £4,569,000 (31/08/22: £9,032,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.69% of the current Net Asset Value and 2.89% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

14. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	49,815	40	0.08	148	0.30	6	0.01	50,009
Total	49,815	40		148		6		50,009

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	59,366	38	0.06	–	–	–	–	59,328
Corporate actions	2,915	–	–	–	–	–	–	2,915
Total	62,281	38		–		–		62,243

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.03%
Taxes	0.05%
Other expenses	0.00%

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
Total	63,677	38		148		8		63,871

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
Total	53,323	35		–		–		53,288

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%

At the balance sheet date the portfolio dealing spread was 1.38% (31/08/22: 1.67%).

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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	263,790	–	–	263,790
Total	263,790	–	–	263,790

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	302,816	–	–	302,816
Total	302,816	–	–	302,816

16. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £276,467,757. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 1.67%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class M Accumulation				
Group 1	1.6375	–	1.6375	0.5512
Group 2	0.5908	1.0467	1.6375	0.5512
Class N Accumulation				
Group 1	0.9331	–	0.9331	0.3673
Group 2	0.9331	0.0000	0.9331	0.3673
Class R Accumulation				
Group 1	1.0970	–	1.0970	0.7811
Group 2	0.5963	0.5007	1.0970	0.7811

Final

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class M Accumulation				
Group 1	3.0186	–	3.0186	2.1680
Group 2	1.7072	1.3114	3.0186	2.1680
Class N Accumulation				
Group 1	1.6896	–	1.6896	1.2303
Group 2	1.6896	0.0000	1.6896	1.2303
Class R Accumulation				
Group 1	1.6983	–	1.6983	1.3796
Group 2	1.0483	0.6500	1.6983	1.3796

Royal London Asia Pacific ex Japan Tilt Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year return %	3 year return %	5 year return %
Royal London Asia Pacific ex Japan Tilt Fund, Class P Accumulation (Total return)	-4.08	18.84	–
Royal London Asia Pacific ex Japan Tilt Fund, Class R Accumulation (Total return)	-3.95	19.45	–
Royal London Asia Pacific ex Japan Tilt Fund, Class S Accumulation (Total return)	-3.95	19.35	–
Royal London Asia Pacific ex Japan Tilt Fund, Class Z Accumulation (Total return)	-4.03	18.85	24.04
FTSE® Asia Pacific ex Japan Index (Capital return)	-3.78	19.87	15.73
IA Asia Pacific Excluding Japan TR	-7.64	3.67	15.69

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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. 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

The tracking error between the Royal London Asia Pacific ex Japan Tracker Fund and the FTSE® World Asia Pacific ex Japan Index was 0.42% over the 12 months under review. This was within the Fund's anticipated tracking error range of 0.30% to 0.50%.

We will always experience a small performance difference between the Fund and index, 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. Additionally, the unit prices for the Fund are calculated using different exchange rates than the benchmark.

The Fund has achieved its objective to achieve carbon intensity of at least 30% lower than that of the Fund's benchmark.

Market overview

Over the past 12 months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Manager's Investment Report (continued)

Portfolio commentary

The Fund aims to achieve the capital return of the FTSE® World Asia Pacific ex Japan 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.

Michael Sprot
Fund Manager
Royal London Asset Management Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class P Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	135.11	137.89	106.70
Return before operating charges*	(4.88)	(2.46)	31.50
Operating charges	(0.31)	(0.32)	(0.31)
Return after operating charges*	(5.19)	(2.78)	31.19
Distributions on accumulation shares	(4.41)	(4.05)	(3.02)
Retained distributions on accumulation shares	4.41	4.05	3.02
Closing net asset value per share	129.92	135.11	137.89
* after direct transaction costs of:	0.03	0.02	0.03
Performance			
Return after charges	(3.84)%	(2.02)%	29.23%
Other information			
Closing net asset value (£'000)	5	5	5
Closing number of shares	3,564	3,564	3,564
Operating charges	0.24%	0.24%	0.24%
Direct transaction costs	0.02%	0.01%	0.02%
Prices[^]			
Highest share price	143.60	140.90	140.30
Lowest share price	118.10	124.60	105.70

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	131.98	134.47	103.88
Return before operating charges*	(4.77)	(2.39)	30.68
Operating charges	(0.09)	(0.10)	(0.09)
Return after operating charges*	(4.86)	(2.49)	30.59
Distributions on accumulation shares	(4.52)	(4.17)	(3.15)
Retained distributions on accumulation shares	4.52	4.17	3.15
Closing net asset value per share	127.12	131.98	134.47
* after direct transaction costs of:	0.03	0.02	0.03
Performance			
Return after charges	(3.68)%	(1.85)%	29.45%
Other information			
Closing net asset value (£'000)	1,349,706	1,220,963	1,248,969
Closing number of shares	1,061,753,873	925,104,466	928,794,214
Operating charges	0.07%	0.07%	0.07%
Direct transaction costs	0.02%	0.01%	0.02%
Prices[^]			
Highest share price	140.40	137.50	136.80
Lowest share price	115.40	121.60	102.90

Class S Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	129.41	131.90	101.93
Return before operating charges*	(4.68)	(2.36)	30.09
Operating charges	(0.13)	(0.13)	(0.12)
Return after operating charges*	(4.81)	(2.49)	29.97
Distributions on accumulation shares	(4.40)	(4.05)	(3.06)
Retained distributions on accumulation shares	4.40	4.05	3.06
Closing net asset value per share	124.60	129.41	131.90
* after direct transaction costs of:	0.03	0.02	0.03
Performance			
Return after charges	(3.72)%	(1.89)%	29.40%
Other information			
Closing net asset value (£'000)	626	883	831
Closing number of shares	502,286	682,170	629,955
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.02%	0.01%	0.02%
Prices[^]			
Highest share price	137.60	134.90	134.20
Lowest share price	113.10	119.30	101.00

Class Z Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	766.55	781.96	605.44
Return before operating charges*	(27.71)	(13.94)	178.66
Operating charges	(1.42)	(1.47)	(2.14)
Return after operating charges*	(29.13)	(15.41)	176.52
Distributions on accumulation shares	(25.36)	(23.18)	(16.70)
Retained distributions on accumulation shares	25.36	23.18	16.70
Closing net asset value per share	737.42	766.55	781.96
* after direct transaction costs of:	0.15	0.11	0.18
Performance			
Return after charges	(3.80)%	(1.97)%	29.16%
Other information			
Closing net asset value (£'000)	6,671	7,509	8,384
Closing number of shares	904,715	979,564	1,072,145
Operating charges [#]	0.19%	0.19%	0.19%
Direct transaction costs	0.02%	0.01%	0.02%
Prices[^]			
Highest share price	814.90	799.30	795.80
Lowest share price	670.10	706.60	599.80

[#] The FMF was reduced on 9 August 2021 to 0.19%.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 97.98% (31/08/22 – 96.94%)			
Australia – 30.05% (31/08/22 – 30.78%)			
Basic Materials – 7.13%			
248,597	Allkem	1,771	0.13
2,110,954	BHP Billiton	48,228	3.55
168,208	Bluescope Steel	1,765	0.13
425,291	Deterra Royalties	963	0.07
692,735	Evolution Mining	1,306	0.10
703,951	Fortescue Metals	7,703	0.57
287,131	IGO	2,034	0.15
181,049	Iluka Resources	787	0.06
608,145	Incitec Pivot	908	0.07
414,323	Lynas Rare Earths	1,514	0.11
75,490	Mineral Resources	2,753	0.20
198,812	New Hope Corporation	571	0.04
378,056	Newcrest Mining	5,026	0.37
456,144	Northern Star Resources	2,765	0.20
237,364	Nufarm	621	0.05
187,936	Orica	1,490	0.11
1,203,827	Pilbara Minerals	2,861	0.21
155,810	Rio Tinto	8,951	0.66
198,464	Sims Metal Management	1,542	0.11
1,281,388	South32	2,220	0.16
302,362	Whitehaven Coal	941	0.07
62,834	Yancoal Australia	169	0.01
Consumer Goods – 0.15%			
337,563	Treasury Wine Estates	2,010	0.15
Consumer Services – 3.23%			
279,140	Aristocrat Leisure	5,821	0.43
139,112	Carsales.com	2,030	0.15
522,545	Coles Group	4,343	0.32
25,754	Domino s Pizza	709	0.05
583,453	Endeavour Group	1,637	0.12
67,436	Flight Centre International	727	0.05
263,346	Harvey Norman	542	0.04
45,205	JB Hi-Fi	1,047	0.08
550,548	Metcash	1,047	0.08
309,466	Qantas Airways	930	0.07
68,722	Seven Group Holdings	966	0.07
622,651	Star Entertainment	317	0.02
1,220,798	Tabcorp	677	0.05
475,194	Wesfarmers	13,067	0.96
515,035	Woolworths	10,019	0.74
Financials – 11.08%			
1,116,544	AMP	713	0.05
1,257,751	ANZ Group Holdings	16,264	1.20
77,627	ASX	2,282	0.17
245,843	Bank of Queensland	724	0.05
211,440	Bendigo Bank	1,027	0.08
288,465	Challenger	989	0.07
187,759	Charter Hall	1,032	0.08
709,870	Commonwealth Bank of Australia	36,870	2.72
472,705	Dexus Property	1,870	0.14
787,131	General Property	1,682	0.12
785,163	Goodman	9,210	0.68
256,683	Insignia Financial	340	0.03
1,021,711	Insurance Australia	2,966	0.22
332,728	Lend Lease	1,318	0.10
152,327	Macquarie	13,782	1.02
41,539	Magellan Financial	189	0.01
5,192	Magellan Financial Warrant 16/4/2027	1	–
1,114,473	Medibank	2,079	0.15
1,749,170	Mirvac	2,155	0.16
1,317,372	National Australia Bank	19,459	1.43
41,134	Perpetual	443	0.03
221,153	Platinum Asset Management	162	0.01
632,211	QBE Insurance	4,798	0.35
19,575	REA	1,643	0.12
556,330	Region Group	611	0.05
2,217,187	Scentre	3,094	0.23
360,624	Steadfast Group	1,017	0.07
943,302	Stockland Trust	2,034	0.15

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
523,467	Suncorp	3,612	0.27
1,606,398	Vicinity Centres	1,527	0.11
1,465,638	Westpac Banking	16,435	1.21
Healthcare – 2.87%			
49,888	Ansell	600	0.05
26,702	Cochlear	3,685	0.27
202,587	CSL	28,216	2.08
112,188	IDP Education	1,385	0.10
75,838	Ramsay Health Care	1,992	0.15
183,160	Sonic Healthcare	3,005	0.22
Industrials – 2.61%			
200,027	ALS	1,194	0.09
623,811	Amcor	4,783	0.35
626,830	Atlas Arteria	1,948	0.14
745,977	Aurizon Holdings	1,384	0.10
51,954	Boral	124	0.01
644,160	Brambles	4,915	0.36
1,641,172	Cleanaway Waste Management	2,181	0.16
208,126	CSR	617	0.05
314,248	Downer EDI	683	0.05
986,887	Lottery Corporation	2,522	0.19
365,860	Orora	658	0.05
705,124	Qube	1,103	0.08
101,105	Reece	1,043	0.08
144,809	Seek	1,702	0.13
1,341,281	Transurban	9,083	0.67
76,796	Washington H. Soul Pattinson	1,294	0.10
Oil & Gas – 1.83%			
108,943	Ampol	1,942	0.14
321,733	APA	1,477	0.11
583,994	Beach Energy	463	0.04
1,113,513	Santos	4,359	0.32
791,379	Woodside Energy Group	14,946	1.10
192,459	Worleyparsons	1,665	0.12
Technology – 0.54%			
47,439	Altium	1,152	0.08
226,356	Computershare	2,892	0.21
76,256	Domain Holdings Australia	149	0.01
14,511	Pro Medicus	542	0.04
128,827	Vodafone Hutchison	365	0.03
65,266	WiseTech Global	2,318	0.17
Telecommunications – 0.37%			
213,344	Nextdc	1,474	0.11
1,734,981	Telstra Group	3,547	0.26
Utilities – 0.24%			
740,638	Origin Energy	3,289	0.24
Futures – (0.00)%			
29	SFE SPI 200 Future September 2023	5	–
Total Australia		407,808	30.05
Bermuda – 0.40% (31/08/22 – 0.54%)			
Financials – 0.10%			
1,969,000	China Oceanwide	5	–
293,000	Haitong International Securities	18	–
468,200	Hong Kong Land	1,308	0.10
Industrials – 0.30%			
83,354	Jardine Matheson	3,129	0.23
224,265	Johnson Electric	237	0.02
259,165	Kerry Logistics Network	192	0.01
50,500	Orient Overseas (International)	535	0.04
Oil & Gas – 0.00%			
1,186,000	Brightoil Petroleum Holdings**	–	–
Total Bermuda		5,424	0.40

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Cayman Islands – 1.28% (31/08/22 – 1.62%)			
Consumer Goods – 0.25%			
703,700	Budweiser Brewing	1,204	0.09
784,800	Chow Tai Fook Jewellery	938	0.07
417,000	JS Global Lifestyle	47	–
352,000	Nexteer Automotive Group	179	0.01
1,974,000	Want Want China	1,031	0.08
Consumer Services – 0.39%			
302,400	MGM China	299	0.02
696,916	Nagacorp	281	0.02
1,016,242	Sands China	2,710	0.20
3,654,500	WH	1,486	0.11
782,800	Wynn Macau	600	0.04
Financials – 0.19%			
583,272	Chailease Holding	2,566	0.19
Healthcare – 0.04%			
209,500	Hutchmed China	507	0.04
Industrials – 0.28%			
206,000	AAC Technologies	315	0.02
8,000	Advanced Energy Solution	124	0.01
67,415	Airtac International	1,528	0.11
121,000	Silergy Corporation	861	0.06
407,000	SITC International Holdings	594	0.04
221,000	Zhen Ding Technology	530	0.04
Real Property – 0.09%			
1,032,000	ESR Cayman	1,221	0.09
Technology – 0.04%			
23,000	Parade Technologies	512	0.04
Telecommunications – 0.00%			
308,000	Hutchison Telecom	34	–
Total Cayman Islands		17,567	1.28

Hong Kong – 8.69% (31/08/22 – 9.74%)

Basic Materials – 0.04%			
297,000	Huabao International	84	0.01
1,388,000	Minerals and Metals Group	364	0.03
Consumer Goods – 0.43%			
132,250	First Pacific	44	–
447,200	Man Wah Holdings	257	0.02
16,680	SharkNinja	460	0.03
544,500	Techtronic Industries	4,247	0.31
260,000	Vitasoy International Holdings	264	0.02
319,965	Xinyi Glass	372	0.03
259,000	Yue Yuen Industrial	256	0.02
Consumer Services – 0.58%			
150,000	Café De Coral	143	0.01
331,706	Cathay Pacific Airways	278	0.02
1,256,000	China Travel International	188	0.01
107,100	DFI Retail	209	0.02
895,000	Galaxy Entertainment	4,666	0.34
9,514	I-CABLE Communications*	–	–
611,589	MTR Corporation	2,013	0.15
32,000	Shangri-La Asia	17	–
1,339,249	SJM Holdings	425	0.03
48,500	Sun Art Retail	9	–
48,000	SuperHi	66	–

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Financials – 6.08%			
4,917,958	AIA	35,214	2.59
413,320	Bank of East Asia	463	0.03
1,543,335	BOC Hong Kong	3,386	0.25
1,259,000	Champion REIT	317	0.02
873,385	CK Asset Holdings	3,793	0.28
20,400	Dah Sing Banking	11	–
49,600	Dah Sing Finance	86	0.01
436,000	Guotai Junan International	28	–
281,000	Hang Lung	306	0.02
666,000	Hang Lung Properties	701	0.05
302,600	Hang Seng Bank	3,044	0.23
643,506	Henderson Land Developments	1,395	0.10
530,898	Hong Kong Exchanges & Clearing	16,231	1.20
317,000	Hysan Developments	521	0.04
327,830	Kerry Properties	478	0.04
1,094,906	Link	4,281	0.32
720,139	New World Development	1,206	0.09
1,518,671	Sino Land	1,372	0.10
636,251	Sun Hung Kai Properties	5,654	0.42
605,170	Swire Properties	999	0.07
467,075	Wharf Holdings	780	0.06
668,075	Wharf Real Estate Investment	2,192	0.16
Industrials – 0.55%			
1,083,395	CK Hutchison	4,656	0.34
408,000	Melco International Development	290	0.02
1,052,600	NWS Holdings	945	0.07
202,000	Swire Pacific 'A'	1,315	0.10
265,000	Swire Pacific 'B'	275	0.02
Technology – 0.31%			
131,500	ASM Pacific Technology	1,037	0.08
3,162,000	Lenovo Group	2,823	0.21
61,000	Vtech	293	0.02
Telecommunications – 0.06%			
2,107,000	PCCW	789	0.06
Utilities – 0.63%			
248,500	CLP Holdings	1,537	0.11
4,594,615	Hong Kong & China Gas	2,663	0.20
1,117,214	Power Assets	4,346	0.32
Futures – 0.01%			
1	HKG Hang Sang Index Future September 2023	2	–
406	HKG MSCI Taiwan USD September 2023	66	0.01
Total Hong Kong		117,857	8.69
Ireland – 0.32% (31/08/22 – 0.24%)			
Industrials – 0.32%			
184,153	James Hardie Industries	4,330	0.32
Total Ireland		4,330	0.32
Italy – 0.08% (31/08/22 – 0.07%)			
Consumer Goods – 0.08%			
207,600	Prada	1,070	0.08
Total Italy		1,070	0.08
Luxembourg – 0.15% (31/08/22 – 0.13%)			
Consumer Goods – 0.12%			
589,200	Samsonite International	1,553	0.12
Consumer Services – 0.03%			
160,250	L'Occitane International	446	0.03
Total Luxembourg		1,999	0.15

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Malaysia – 2.58% (31/08/22 – 2.54%)			
Basic Materials – 0.13%			
698,600	Petronas Chemical	846	0.06
1,151,500	Press Metal Berhad	950	0.07
Consumer Goods – 0.32%			
278,200	FGV Holdings Berhad	65	–
104,700	Fraser & Neave	453	0.03
205,400	IOI Corporation	141	0.01
326,600	Kuala Lumpur Kepong	1,195	0.09
44,400	Nestlé Malaysia	984	0.07
402,780	PPB Group Berhad	1,077	0.08
550,450	QL Resources Berhad	506	0.04
Consumer Services – 0.13%			
1,565,500	Astro Malaysia Holdings	136	0.01
285,700	Genting	212	0.01
1,386,600	Genting Malaysia	606	0.04
1,402,900	MR.DIY	367	0.03
747,200	Sime Darby Plantation Berhad	558	0.04
Financials – 1.16%			
649,800	Alliance Financial	381	0.03
786,600	AMMB Holdings	499	0.04
3,370,066	CIMB Group	3,227	0.24
329,824	Hong Leong Bank	1,117	0.08
130,852	Hong Leong Credit	406	0.03
3,075,948	Malayan Banking	4,766	0.35
6,266,180	Public Bank	4,508	0.33
837,467	RHB Capital Berhad	799	0.06
Healthcare – 0.15%			
391,800	Hartalega	129	0.01
1,700,300	IHH Healthcare	1,715	0.13
1,310,300	Top Glove	171	0.01
Industrials – 0.25%			
1,388,543	Gamuda	1,063	0.08
2,204,000	IJM Corporation	664	0.05
410,440	Malaysia Airports	514	0.04
1,965,274	Sime Darby Berhad	765	0.06
401,400	Westports Holdings Berhad	239	0.02
Oil & Gas – 0.16%			
2,987,800	Dialog Group Berhad	1,042	0.08
297,200	Petronas Dagangan	1,122	0.08
Telecommunications – 0.26%			
2,045,351	Axiata	821	0.06
1,797,800	CelcomDigi	1,339	0.10
1,372,577	Maxis	936	0.07
539,314	Telekom Malaysia	468	0.03
Utilities – 0.02%			
114,700	Tenaga Nasional	192	0.01
297,100	YTL Corporation	79	0.01
Total Malaysia		35,058	2.58
New Zealand – 1.68% (31/08/22 – 1.73%)			
Consumer Goods – 0.05%			
281,002	The a2 Milk Company	651	0.05
Consumer Services – 0.03%			
368,600	Skycity Entertainment	403	0.03
Financials – 0.02%			
633,850	Kiwi Income Property Trust	264	0.02
Healthcare – 0.32%			
68,015	EBOS	1,175	0.09
234,925	Fisher & Paykel Healthcare	2,447	0.18
208,789	Ryman Healthcare	644	0.05

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Industrials – 0.44%			
541,483	Auckland International Airport	1,986	0.15
315,089	Fletcher Building	712	0.05
444,275	Infratil	2,083	0.15
39,587	Mainfreight	1,219	0.09
Technology – 0.24%			
52,271	Xero	3,301	0.24
Telecommunications – 0.13%			
723,947	Spark New Zealand	1,706	0.13
Utilities – 0.45%			
582,081	Contact Energy	2,276	0.17
676,862	Mercury	1,966	0.14
789,831	Meridian Energy	1,958	0.14
Total New Zealand		22,791	1.68
Singapore – 5.33% (31/08/22 – 5.26%)			
Consumer Goods – 0.15%			
520,420	Olam	377	0.03
757,300	Wilmar International	1,673	0.12
Consumer Services – 0.38%			
121,400	BOC Aviation	719	0.05
238,000	City Developments	929	0.07
675,900	ComfortDelGro	498	0.04
3,099,100	Genting Singapore	1,585	0.12
33,200	Jardine Cycle & Carriage	648	0.05
162,800	Singapore Airlines	653	0.05
Financials – 3.66%			
1,427,812	CapitaLand Ascendas REIT	2,311	0.17
911,192	CapitaLand Investment	1,720	0.13
715,847	CapitaLand Ascott Trust	404	0.03
2,112,270	CapitaMall	2,345	0.17
26,553	CDL Hospitality REIT	16	–
762,171	DBS	14,831	1.09
1,328,000	Frasers Logistics & Commercial Trust	923	0.07
260,400	Keppel DC REIT	335	0.02
728,600	Keppel REIT	368	0.03
986,800	Mapletree Commercial Trust REIT	871	0.06
879,140	Mapletree Industrial Trust REIT	1,182	0.09
1,457,382	Mapletree Logistics Trust REIT	1,431	0.11
1,476,160	Overseas-Chinese Banking	10,817	0.80
362,000	Singapore Exchange	2,031	0.15
747,300	Suntec	528	0.04
509,643	United Overseas Bank	8,467	0.62
286,809	UOL	1,109	0.08
Industrials – 0.75%			
2,258,600	Hutchison Port	294	0.02
1,033,680	Keppel Corporation	4,192	0.31
460,667	SATS	694	0.05
17,105,754	Seatrium	1,439	0.11
48,700	SembCorp Industries	152	0.01
293,300	SIA Engineering	410	0.03
1,271,200	Singapore Post	364	0.03
722,000	Singapore Technologies Engineering	1,607	0.12
116,300	Venture Corporation	891	0.07
Technology – 0.05%			
1,480,200	NetLink NBN Trust	744	0.05
Telecommunications – 0.34%			
3,207,333	Singapore Telecommunications	4,461	0.33
357,300	Starhub	213	0.01
Futures – 0.00%			
7	SGX FTSE Taiwan Index September 2023	5	–
1	SGX MSCI Singapore Index ETS September 2023*	–	–
Total Singapore		72,237	5.33

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
South Korea – 20.44% (31/08/22 – 19.00%)							
Basic Materials – 1.74%							
46,587	Hanwha Solutions Corporation	1,012	0.07	118,269	Hana Financial Holdings	2,789	0.21
19,738	Hyundai Steel	426	0.03	251,438	Hanwha Life Insurance	377	0.03
5,010	Korea Zinc	1,573	0.12	24,096	Hyundai Marine & Fire Insurance	434	0.03
6,596	Kumho Petro Chemical	490	0.04	152,868	Indus Bank of Korea	982	0.07
19,776	LG Chemical	6,872	0.51	83,900	KakaoBank	1,320	0.10
2,710	LG Chemical Preference	553	0.04	168,067	KB Financial	5,429	0.40
8,931	Lotte Chemical Corporation	728	0.05	21,759	Korea Investment	674	0.05
3,791	OCI	208	0.02	42,782	Meritz Finance	1,395	0.10
4,110	OCI Company	312	0.02	103,172	Mirae Asset Securities	410	0.03
29,870	Posco	10,326	0.76	79,122	NH Investments & Securities	487	0.04
3,727	Samsung Fine Chemical	134	0.01	9,657	Samsung Card	172	0.01
4,768	SK chemicals	179	0.01	14,013	Samsung Fire & Marine Insurance	2,062	0.15
8,428	SK IE Technology	454	0.03	963	Samsung Fire & Marine Insurance NVDR	104	0.01
7,299	SKC	398	0.03	33,481	Samsung Life Insurance	1,349	0.10
				19,753	Samsung Securities	440	0.03
				207,384	Shinhan Financial	4,402	0.32
				47,036	SK Square	1,267	0.09
				269,523	Woori Financial Group	1,915	0.14
Consumer Goods – 2.53%				Healthcare – 0.99%			
14,978	AmorePacific	301	0.02	11,102	Alteogen	300	0.02
14,232	AmorePacific Corporation	1,137	0.08	46,419	Celltrion	3,988	0.29
3,300	AmorePacific Corporation Preference	77	0.01	8,511	Celltrion	349	0.03
3,815	BGF Retail	356	0.03	39,584	Celltrion Healthcare	1,529	0.11
2,564	CJ CheilJedang	458	0.03	2,469	Green Cross Corporation	170	0.01
367	CJ CheilJedang Preference	30	–	2,821	Hanmi Pharmaceutical	496	0.04
8,413	CJ Corporation	353	0.03	5,170	Hanmi Science	111	0.01
564	CJ Corporation Preference	20	–	45,092	HLB	777	0.06
22,305	Coway	575	0.04	7,676	Samsung Biologics	3,378	0.25
17,576	Dongsuh	188	0.01	12,614	SD Biosensor	94	0.01
25,339	Hankook Tire & Technology	586	0.04	13,142	Seegene	174	0.01
61,559	Hanon Systems	335	0.02	13,347	Shin Poong Pharmaceutical	143	0.01
6,460	HiteJinro	75	0.01	16,874	SillaJen	51	–
12,296	HL Mando	308	0.02	11,540	SK Biopharmaceuticals	590	0.04
26,276	Hyundai Mobis	3,624	0.27	10,035	SK Bioscience	440	0.03
58,718	Hyundai Motor	6,630	0.49	20,695	Yuhan Corporation	900	0.07
8,189	Hyundai Motor Preference	497	0.04	Industrials – 9.54%			
12,794	Hyundai Motor Second Preference	794	0.06	4,127	CJ Logistics	194	0.01
7,179	Hyundai Wia Corporation	246	0.02	6,818	Daelim Industrial	155	0.01
104,238	KIA Corporation	4,979	0.37	169,973	Daewoo Engineering & Construction	466	0.03
18,969	KT & G	984	0.07	20,556	Doosan Bobcat	659	0.05
43,965	LG Electronics	2,586	0.19	4,819	Doosan Solus	93	0.01
6,275	LG Electronics Preference	176	0.01	19,410	EcoPro BM	3,761	0.28
15,043	LG Energy Solution	4,886	0.36	52,692	GS Engineering & Construction	457	0.03
3,901	LG Household & Healthcare	1,082	0.08	21,004	Hanwha Ocean	480	0.04
783	LG Household & Healthcare Preference Shares	89	0.01	59,533	HD Hyundai Infracore	374	0.03
4,132	Lotte Chilsung Beverages	320	0.02	22,279	HDC Hyundai	786	0.06
9,534	Lotte Corporation	142	0.01	113,781	HMM	1,132	0.08
6,643	N C Soft	997	0.07	50,233	Hyundai Engineering & Construction	1,065	0.08
1,026	Nong Shim	281	0.02	6,668	Hyundai Glovis	687	0.05
9,160	Orion Corp/Republic of Korea	666	0.05	7,575	Hyundai Heavy Industries	592	0.04
1,599	Ottogi Corporation	351	0.03	10,084	Hyundai Mipo Dockyard	546	0.04
11,353	Pearl Abyss	327	0.02	8,913	KakaoPay	241	0.02
Consumer Services – 0.59%				433	KCC Corporation	56	0.01
48,122	Cheil Communications	542	0.04	15,419	Kepco Plant Service & Engineering	308	0.02
5,714	CJ ENM	198	0.01	35,202	Korea Aerospace Industries	1,063	0.08
26,781	DL E&C	496	0.04	22,392	Korea Shipbuilding & Offshore Engineering	1,651	0.12
10,383	E-Mart	457	0.03	10,607	L & F	1,362	0.10
8,756	F&F	538	0.04	23,989	LG Corporation	1,176	0.09
20,999	Fila Korea	475	0.04	6,880	LG Innotek	1,107	0.08
22,712	GS Retail	321	0.02	7,647	LS Cable	489	0.04
11,010	Hanjin Kal Corporation	292	0.02	56,873	Mirae Asset Daewoo Preference	121	0.01
45,951	Hanwha Galleria	36	–	36,082	Pan Ocean	96	0.01
16,000	Hotel Shilla	843	0.06	11,614	POSCO Future	3,117	0.23
7,506	HYBE	1,129	0.08	18,976	POSCO International	896	0.07
4,809	Hyundai Department Store	199	0.01	13,523	S1 Corporation	450	0.03
49,443	Kangwon Land	458	0.03	39,860	Samsung C&T Corporation	2,492	0.18
77,252	Korean Airlines	1,052	0.08	22,349	Samsung Electro-Mechanics	1,807	0.13
8,585	Lotte Shopping	363	0.03	2,023,374	Samsung Electronics	80,821	5.96
24,472	Paradise	246	0.02	291,610	Samsung Electronics preference	9,402	0.69
4,106	Shinsegae	498	0.04	70,667	Samsung Engineering	1,435	0.11
Financials – 2.06%				266,984	Samsung Heavy Industries	1,403	0.10
161,873	BNK Financial	658	0.05	22,006	Samsung SDI	8,054	0.59
21,274	DB Insurance	1,038	0.08	55,047	SK Networks	237	0.02
56,669	DGB Financial	253	0.02	54,194	Ssangyong Cement Industrial	178	0.01

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
South Korea – 20.44% (31/08/22 – 19.00%) – continued			
Oil & Gas – 0.40%			
171,469	Doosan Enerbility	1,865	0.14
9,800	GS Holdings	220	0.02
24,073	SK Innovation	2,551	0.19
14,848	S-Oil Corporation	647	0.05
Technology – 2.44%			
120,733	Kakao	3,467	0.26
16,781	Kakao Games	285	0.02
1,500	Korea Digital Line*	–	–
12,266	Krafton	1,135	0.08
75,743	LG Display	606	0.05
5,576	Lotte Energy Materials	162	0.01
59,678	Naver Corporation	7,625	0.56
13,672	Netmarble Games	350	0.03
8,759	NHN Entertainment Corporation	136	0.01
18,202	Samsung SDS	1,543	0.11
14,563	SK Holdings	1,256	0.09
226,274	SK Hynix	16,455	1.21
6,007	Wemade Entertainment	129	0.01
Telecommunications – 0.08%			
77,155	LG Uplus	481	0.04
375	Samsung SDI Preference	67	0.01
15,445	SK Telecom	443	0.03
Utilities – 0.06%			
56,821	Korea Gas Corporation	852	0.07
Futures – 0.00%			
49	KFE KOSPI200 Index Future September 2023	(56)	–
Total South Korea		277,339	20.44

Taiwan – 23.10% (31/08/22 – 21.38%)

Basic Materials – 0.76%			
3,749,270	China Steel	2,462	0.18
621,854	Enternal Materials	448	0.03
1,127,600	Formosa Chemicals & Fibre	1,732	0.13
1,033,990	Formosa Plastics	2,037	0.15
2,254,810	Nan Ya Plastics	3,693	0.27
Consumer Goods – 1.12%			
17,000	Asmedia Technology	414	0.03
687,353	Cheng Shin Rubber Industry	675	0.05
213,400	China Motor	474	0.03
101,685	Eclat Textile	1,283	0.09
1,992,948	Far Eastern New Century	1,390	0.10
226,482	Feng Tay Enterprises	943	0.07
1,568,000	Formosa Taffeta	991	0.07
131,605	Giant Manufacturing	638	0.05
41,000	Largan Precision	2,083	0.15
1,358,000	Pou Chen	962	0.07
970,000	Teco Electric & Machinery	1,199	0.09
2,097,687	Uni-President Enterprises	3,675	0.27
348,996	Yulon Motor	721	0.05
9,000	Yulon Nissan Motor	41	–
Consumer Services – 0.39%			
498,000	China Airlines	279	0.02
716,000	EVA Airways	559	0.04
140,460	Hotai Motor Company	2,363	0.17
25,080	Momo.Com	323	0.02
55,000	Nien Made Enterprise	408	0.03
227,822	President Chain Store	1,510	0.11

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Financials – 3.19%			
802,770	Capital Securities	294	0.02
3,737,832	Cathay Financial	4,224	0.31
2,357,597	Chang Hwa Commercial Bank	1,011	0.07
6,974,038	China Development Financial	2,048	0.15
556,185	China Development Financial Preference	93	0.01
7,234,144	CTBC Financial Holding	4,267	0.31
5,870,866	E.Sun Financial	3,557	0.26
1,055,554	Far Eastern International Bank	302	0.02
3,972,041	First Financial	2,589	0.19
2,964,137	Fubon Financial	4,672	0.34
4,135,591	Hua Nan Financial	2,101	0.15
4,247,436	Mega Financial	3,779	0.28
679,000	Ruentex Development	619	0.05
1,555,426	Shanghai Commercial & Savings Bank	1,640	0.12
5,876,132	Shin Kong Financial	1,379	0.10
5,174,294	SinoPac	2,193	0.16
4,919,648	Taishin Financial	2,170	0.16
2,335,422	Taiwan Business Bank	773	0.06
4,378,590	Taiwan Cooperative Financials	2,848	0.21
4,880,384	Yuanta Financial	2,951	0.22
Healthcare – 0.04%			
120,601	Oneness Biotech	593	0.04
Industrials – 2.61%			
248,942	Asia Cement	246	0.02
303,000	Catcher Technology	1,355	0.10
894,000	Delta Electronic Industry	7,665	0.57
383,000	E Ink	1,727	0.13
354,665	Evergreen Marine Corporation	932	0.07
317,000	Fit Hon Teng	33	–
37,000	Genius Electronic Optical	351	0.03
101,044	Hiwin Technologies	511	0.04
4,750,936	Hon Hai Precision Industry	12,538	0.92
84,000	Nan Ya PCB Corporation	503	0.04
678,572	Taiwan Glass	330	0.03
734,000	Taiwan High Speed Rail Corporation	541	0.04
309,590	Taiwan Secom	806	0.06
485,000	Unimcron Technology	2,229	0.16
27,000	Voltronic Power Technology	970	0.07
996,406	Walsin Lihwa	933	0.07
220,000	Walsin Technology	538	0.04
299,285	Wan Hai Lines	336	0.02
167,695	Yageo Corporation	2,015	0.15
587,000	Yang Ming Marine Transport Corporation	615	0.05
Technology – 14.44%			
213,000	Accton Technology	2,523	0.19
1,445,086	Acer	1,309	0.10
192,658	Advantech	1,640	0.12
1,386,421	ASE Technology Holding	4,054	0.30
13,100	ASPEED Technology	875	0.07
291,448	Asustek Computer	2,900	0.21
2,653,791	AU Optronics	1,171	0.09
352,760	Chicony Electronics	905	0.07
1,894,000	Compal Electronics	1,495	0.11
28,000	Ememory Technology	1,256	0.09
312,500	Ennostar	352	0.03
8,000	Formosa Sumco	29	–
538,000	Foxconn Technology	743	0.06
78,000	Globalwafers	887	0.07
304,000	HTC	398	0.03
2,868,772	Innolux	1,027	0.08
1,329,000	Inventec	1,851	0.14
873,180	Lite-On Technology	2,964	0.22
586,858	MediaTek	10,253	0.76
326,000	Micro-Star International	1,289	0.09
340,000	Nanya Technology	561	0.04
220,586	Novatek Microelectronics	2,184	0.16
896,181	Pegatron	1,732	0.13

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Taiwan – 23.10% (31/08/22 – 21.38%) – continued			
Technology – 14.44% – continued			
1,030,000	Powerchip Semiconductor Manufacturing	711	0.05
247,000	Powertech Technology	608	0.05
1,051,000	Quanta Computer	6,589	0.49
173,530	Realtek Semiconductor	1,797	0.13
220,000	Sino-American Silicon	853	0.06
800,450	Synnex Technology International	1,212	0.09
9,477,509	Taiwan Semiconductor Manufacturing	128,937	9.50
301,000	Transcend Information	538	0.04
4,566,000	United Microelectronics	5,148	0.38
260,000	Vanguard International Semiconductor	440	0.03
155,000	WIN Semiconductors Corporation	522	0.04
1,425,000	Winbond Electronics	930	0.07
1,198,437	Wistron	3,460	0.25
36,000	Wiwynn	1,392	0.10
Telecommunications – 0.55%			
1,543,000	Chunghwa Telecom	4,435	0.33
614,022	Far EasTone Telecommunications	1,074	0.08
797,759	Taiwan Mobile	1,840	0.14
Total Taiwan		313,464	23.10
Thailand – 3.88% (31/08/22 – 3.91%)			
Basic Materials – 0.10%			
865,100	Banpu	167	0.01
638,168	Indorama Ventures	417	0.03
3,856,200	IRPC (foreign)	203	0.01
747,700	PTT Global Chemical (foreign)	623	0.05
Consumer Goods – 0.53%			
1,271,900	Central Retail Corporation	1,182	0.09
2,802,700	Charoen Pokphand Foods	1,307	0.10
1,151,400	Delta Electronics	2,815	0.21
4,961,380	Land and Houses	928	0.07
659,400	Osotspa	446	0.03
1,413,100	Thai Union	452	0.03
Consumer Services – 0.53%			
155,600	Carabao Group	302	0.02
2,776,500	CP All (foreign)	4,083	0.30
856,017	CP Axtra	695	0.05
3,148,104	Home Product Center (foreign)	972	0.07
1,797,617	Minor International	1,215	0.09
48,883	Minor International Warrants 15/2/2024	3	–
774,800	Thai Airways	58	–
Financials – 0.79%			
2,563,800	Asset World Corporation	252	0.02
324,800	Bangkok Bank	1,241	0.09
84,549	Bangkok Life Assurance	46	–
207,311	Bangkok Life Assurance NVDR	114	0.01
1,179,600	Central Pattana (foreign)	1,828	0.13
683,139	Kasikornbank (foreign)	2,001	0.15
3,016,500	Krung Thai Bank (foreign)	1,312	0.10
475,000	Krungthai Card	519	0.04
191,800	Muangthai Capital	176	0.01
776,900	Siam Commercial Bank	2,022	0.15
193,100	Srisawad Corporation	222	0.02
9,284	Srisawad Corporation Warrants 29/8/2025	1	–
356,500	Thai Life Insurance	95	0.01
19,149,967	TMBThanachart Bank	734	0.06
164,180	TMBThanachart Bank Warrants 10/5/2025	3	–
Healthcare – 0.34%			
4,660,000	Bangkok Dusit Medical Services (foreign)	2,967	0.22
285,000	Bumrungrad Hospital (foreign)	1,657	0.12

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Industrials – 0.48%			
1,959,700	Airports of Thailand	3,202	0.24
5,076,200	Bangkok Expressway and Metro	990	0.07
788,800	Berli Jucker	596	0.04
5,249,929	BTS	870	0.06
628,586	BTS Warrants 20/11/2026	2	–
314,293	BTS Warrants 7/11/2024	1	–
185,500	SCG Packaging PCL	171	0.01
83,550	Siam Cement (foreign)	589	0.04
1,311,800	Sri Trang Gloves	213	0.02
Oil & Gas – 0.77%			
1,416,300	Energy Absolute	2,019	0.15
530,800	PTT Exploration & Production	1,896	0.14
2,279,300	PTT Oil and Retail	1,038	0.08
6,071,100	PTT Public	4,720	0.35
613,500	Thai Oil (foreign)**	709	0.05
Technology – 0.10%			
1,086,100	Digital Telecommunications Infrastructure Fund	230	0.02
625,600	Intouch	1,022	0.08
Telecommunications – 0.24%			
492,900	Advanced Info Service (foreign)	2,399	0.18
5,635,724	True Corporation	876	0.06
Total Thailand		52,601	3.88
Total value of investments***		1,329,545	97.98
Net other assets		27,463	2.02
Total net assets		1,357,008	100.00

* Value less than £1,000

Suspended

* Unlisted with nil value

** Level 3 asset

*** 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 2023

Significant Purchases

	Cost £'000
Taiwan Semiconductor Manufacturing	33,365
Samsung Electronics	14,602
BHP Billiton	9,339
AIA	6,007
Commonwealth Bank of Australia	5,175
Hon Hai Precision Industry	4,801
CSL	4,594
Power Assets	2,984
SK Hynix	2,969
Macquarie	2,798
Subtotal	86,634
Total cost of purchases, including the above, for the year	273,287

Significant Sales

	Proceeds £'000
Taiwan Semiconductor Manufacturing	9,630
Hon Hai Precision Industry	2,312
OZ Minerals	2,088
Siam Cement (foreign)	2,003
Taiwan Cement	1,828
Towngas Smart Energy Company	1,212
Siam Commercial Bank	1,100
Tingyi (Cayman Islands)	1,025
MediaTek	948
AIA	940
Subtotal	23,086
Total proceeds from sales, including the above, for the year	45,163

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital losses	2	(96,429)	(64,124)
Revenue	3	48,518	44,238
Expenses	4	(887)	(919)
Interest payable and similar charges		(8)	–
Net revenue before taxation		47,623	43,319
Taxation	5	(2,746)	(3,006)
Net revenue after taxation		44,877	40,313
Total deficit before distributions		(51,552)	(23,811)
Distributions	6	(44,383)	(39,827)
Change in net assets attributable to shareholders from investment activities		(95,935)	(63,638)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		1,329,601	1,192,262
Current assets:			
Debtors	7	5,923	4,182
Cash and bank balances	8	21,937	63,412
Total assets		1,357,461	1,259,856
Liabilities			
Investment liabilities		56	548
Creditors:			
Other creditors	9	397	29,948
Total liabilities		453	30,496
Net assets attributable to shareholders		1,357,008	1,229,360

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	1,229,360	1,258,189
Amounts receivable on creation of shares	225,118	75,014
Amounts payable on cancellation of shares	(50,035)	(80,388)
	175,083	(5,374)
Dilution adjustment charged	1,531	801
Change in net assets attributable to shareholders from investment activities	(95,935)	(63,638)
Retained distribution on accumulation shares	46,969	39,382
Closing net assets attributable to shareholders	1,357,008	1,229,360

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital losses

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital losses during the year comprise:		
Non-derivative securities	(89,893)	(65,376)
Derivative securities	(4,660)	(7,936)
Currency (losses)/gains	(1,876)	9,188
Net capital losses	(96,429)	(64,124)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
Overseas dividends	46,664	42,905
Bank interest	728	182
Interest received on amounts held with brokers	58	2
Stock lending income	506	574
Stock dividends	562	575
Total revenue	48,518	44,238

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	887	885
Other expenses:		
Legal fee	–	34
Total expenses	887	919

* Audit fee £14,008 (31/08/22: £13,340) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	2,746	3,006
Current tax charge for the year	2,746	3,006

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	47,623	43,319
Corporation tax at 20% (31/08/22: 20%)	9,525	8,664
Effects of:		
Revenue not subject to taxation	(8,980)	(8,316)
Excess management expenses utilised	(511)	(323)
Irrecoverable overseas tax	2,678	2,917
Irrecoverable overseas tax on stock dividends taken to capital	68	89
Tax relief on overseas tax suffered	(34)	(25)
Current tax charge for the year	2,746	3,006

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £1,649,000 (31/08/22: £2,160,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Interim	18,399	16,660
Final	28,570	22,722
	46,969	39,382
Add: Amounts deducted on cancellation of shares	433	940
Deduct: Amounts received on the creation of shares	(3,019)	(495)
Net distributions for the year	44,383	39,827

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	44,877	40,313
Stock dividend charged to capital	(562)	(575)
Tax relief on expenses charged to capital	68	89
Net distributions for the year	44,383	39,827

Details of the distribution per share are set out on page 179.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	80	–
Sales awaiting settlement	119	30
Foreign exchange sales awaiting settlement	–	40
Accrued revenue	5,712	4,099
Overseas withholding tax recoverable	12	13
Total debtors	5,923	4,182

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	19,044	57,185
Amounts held at futures clearing houses and brokers	2,893	6,227
Total cash and bank balances	21,937	63,412

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	306	29,836
Accrued expenses	82	75
Overseas tax payable on stock dividends	9	37
Total other creditors	397	29,948

10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/22	3,564	925,104,466
Shares issued	–	174,090,139
Shares cancelled	–	(37,440,732)
Closing shares at 31/08/23	3,564	1,061,753,873

	Class S Accumulation	Class Z Accumulation
Opening shares at 01/09/22	682,170	979,564
Shares issued	–	202,409
Shares cancelled	(179,884)	(277,258)
Closing shares at 31/08/23	502,286	904,715

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 (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 £307,000 (31/08/22: £29,911,000).

At the year end, 31 August 2023, 94.36% (31/08/22: 99.20%) 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 £127,000 (Gross: £633,000) (31/08/22: £143,000 (Gross: £717,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £174,956,000 (31/08/22: £105,818,000).

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

Asset class	31 Aug 2023	31 Aug 2022
	Collateral Held £'000	Collateral Held £'000
Equity	80,015	39,937
Bonds	108,055	74,148

The aggregate value of collateral held at the balance sheet date was £188,070,000 (31/08/22: £114,085,000).

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, Goldman Sachs International, HSBC Bank, JP Morgan Securities, Macquarie Bank, Merrill Lynch International, Morgan Stanley & Co International, Natixis 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 165 to 170.

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 172. 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 2023 £'000	31 Aug 2022 £'000
Sterling	1,705	(22,359)
Australian dollar	420,989	396,536
Hong Kong dollar	134,636	143,935
Malaysian ringgit	35,089	31,377
New Zealand dollar	18,845	18,160
Singapore dollar	72,012	65,309
South Korean won	279,067	235,415
Taiwanese dollar	322,497	270,930
Thai baht	52,791	48,100
US dollar	19,377	41,957
Total	1,357,008	1,229,360

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 £135,530,000 (31/08/22: £125,172,000). 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 £135,530,000 (31/08/22: £125,172,000). 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 £132,955,000 (31/08/22: £119,171,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £132,955,000 (31/08/22: £119,171,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £19,044,000 (31/08/22: £57,185,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.40% of the current Net Asset Value and 4.65% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

16. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	269,703	46	0.02	42	0.02	11	–	269,802
Corporate actions	3,485	–	–	–	–	–	–	3,485
Total	273,188	46		42		11		273,287

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	41,251	6	0.01	87	0.21	1	–	41,157
Corporate actions	4,006	–	–	–	–	–	–	4,006
Total	45,257	6		87		1		45,163

The Fund had paid £56,000 as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.01%
Other expenses	0.00%

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
Total	94,405	10		15		2		94,432

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
Total	49,561	6		72		3		49,480

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%

At the balance sheet date the portfolio dealing spread was 0.45% (31/08/22: 0.46%).

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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	1,312,580	–	709	1,313,289
Pooled investment vehicles	16,234	–	–	16,234
Derivatives	78	–	–	78
Total	1,328,892	–	709	1,329,601
Investment liabilities				
Derivatives	(56)	–	–	(56)
Total	(56)	–	–	(56)

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	1,176,382	–	1,255	1,177,637
Pooled investment vehicles	14,095	–	–	14,095
Derivatives	530	–	–	530
Total	1,191,007	–	1,255	1,192,262
Investment liabilities				
Derivatives	(548)	–	–	(548)
Total	(548)	–	–	(548)

At the current year end, the level 3 assets held were the following securities: Thai Oil and Korea Digital Line. Thai Oil is a single sourced price. Korea Digital Line is priced at nil.

At the prior 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 at prior year end was priced using a pricing model approved by the Investment Manager's Valuation Oversight Committee.

18. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £1,361,126,712. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 0.08%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class P Accumulation				
Group 1	1.7816	–	1.7816	1.6628
Group 2	1.7816	0.0000	1.7816	1.6628
Class R Accumulation				
Group 1	1.8470	–	1.8470	1.7289
Group 2	0.4773	1.3697	1.8470	1.7289
Class S Accumulation				
Group 1	1.7921	–	1.7921	1.6764
Group 2	1.7921	0.0000	1.7921	1.6764
Class Z Accumulation				
Group 1	10.2803	–	10.2803	9.5939
Group 2	3.2293	7.0510	10.2803	9.5939

Final

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class P Accumulation				
Group 1	2.6278	–	2.6278	2.3865
Group 2	2.6278	0.0000	2.6278	2.3865
Class R Accumulation				
Group 1	2.6768	–	2.6768	2.4400
Group 2	0.8236	1.8532	2.6768	2.4400
Class S Accumulation				
Group 1	2.6046	–	2.6046	2.3731
Group 2	2.6046	0.0000	2.6046	2.3731
Class Z Accumulation				
Group 1	15.0781	–	15.0781	13.5902
Group 2	8.5983	6.4798	15.0781	13.5902

Royal London Europe ex UK Equity Tilt Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London Europe ex UK Equity Tilt Fund, Class P Accumulation	15.76	27.08	–
Royal London Europe ex UK Equity Tilt Fund, Class R Accumulation	15.97	27.70	–
Royal London Europe ex UK Equity Tilt Fund, Class S Accumulation	15.82	27.59	–
Royal London Europe ex UK Equity Tilt Fund, Class Z Accumulation	15.83	27.20	34.52
FTSE® World Europe ex UK Index Price Return (Inception to 8 Aug 2021)	14.93	25.58	25.26
FTSE® World Europe ex-UK Index Net Return (Since 9 Aug 2021)			
IA Europe ex UK TR	14.13	23.94	28.56

Class P Accumulation launched on 14 May 2019, Class R Accumulation launched on 25 October 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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

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 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 0.1989% 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.

The Fund has achieved its objective to achieve carbon intensity of at least 30% lower than that of the Fund's benchmark.

Market overview

Over the past 12 months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Manager's Investment Report (continued)

Portfolio commentary

In August 2021, RLAM started transitioning its passive equity funds from index trackers to ESG (Environmental, Social and Governance) 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 Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class P Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	121.42	137.74	108.63
Return before operating charges*	18.44	(16.06)	29.35
Operating charges	(0.28)	(0.26)	(0.24)
Return after operating charges*	18.16	(16.32)	29.11
Distributions on accumulation shares	(3.39)	(2.90)	(2.07)
Retained distributions on accumulation shares	3.39	2.90	2.07
Closing net asset value per share	139.58	121.42	137.74
* after direct transaction costs of:	0.03	0.01	0.01
Performance			
Return after charges	14.96%	(11.85)%	26.80%
Other information			
Closing net asset value (£'000)	5	4	7
Closing number of shares	3,571	3,571	5,000
Operating charges	0.20%	0.20%	0.20%
Direct transaction costs	0.02%	0.01%	0.01%
Prices[^]			
Highest share price	145.50	142.90	138.30
Lowest share price	113.60	113.20	102.40

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	128.69	145.78	114.81
Return before operating charges*	19.55	(17.01)	31.05
Operating charges	(0.09)	(0.08)	(0.08)
Return after operating charges*	19.46	(17.09)	30.97
Distributions on accumulation shares	(3.80)	(3.26)	(2.37)
Retained distributions on accumulation shares	3.80	3.26	2.37
Closing net asset value per share	148.15	128.69	145.78
* after direct transaction costs of:	0.03	0.01	0.01
Performance			
Return after charges	15.12%	(11.72)%	26.98%
Other information			
Closing net asset value (£'000)	1,032,122	791,138	880,359
Closing number of shares	696,666,504	614,761,465	603,910,621
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.02%	0.01%	0.01%
Prices[^]			
Highest share price	154.40	151.30	146.40
Lowest share price	120.50	119.90	108.30

Class S Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	118.40	134.12	105.63
Return before operating charges*	17.96	(15.64)	28.56
Operating charges	(0.08)	(0.08)	(0.07)
Return after operating charges*	17.88	(15.72)	28.49
Distributions on accumulation shares	(3.50)	(3.00)	(2.18)
Retained distributions on accumulation shares	3.50	3.00	2.18
Closing net asset value per share	136.28	118.40	134.12
* after direct transaction costs of:	0.03	0.01	0.01
Performance			
Return after charges	15.10%	(11.72)%	26.97%
Other information			
Closing net asset value (£'000)	1,365	1,276	1,323
Closing number of shares	1,001,148	1,077,357	986,527
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.02%	0.01%	0.01%
Prices[^]			
Highest share price	142.00	139.20	134.70
Lowest share price	110.80	110.30	99.61

Class Z Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	186.06	210.94	166.43
Return before operating charges*	28.24	(24.60)	44.96
Operating charges	(0.29)	(0.28)	(0.45)
Return after operating charges*	27.95	(24.88)	44.51
Distributions on accumulation shares	(5.33)	(4.56)	(3.10)
Retained distributions on accumulation shares	5.33	4.56	3.10
Closing net asset value per share	214.01	186.06	210.94
* after direct transaction costs of:	0.05	0.02	0.02
Performance			
Return after charges	15.02%	(11.79)%	26.74%
Other information			
Closing net asset value (£'000)	1,386	1,008	964
Closing number of shares	647,801	541,760	456,803
Operating charges [#]	0.14%	0.14%	0.14%
Direct transaction costs	0.02%	0.01%	0.01%
Prices[^]			
Highest share price	223.00	218.90	211.90
Lowest share price	174.10	173.40	156.90

[#] The FMF was reduced on 9 August 2021 to 0.14%.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 98.63% (31/08/22 – 99.26%)			
Austria – 0.42% (31/08/22 – 0.36%)			
Oil & Gas – 0.06%			
	17,868 OMV	656	0.06
Basic Materials – 0.02%			
	8,130 Voestalpine	188	0.02
Industrials – 0.05%			
	11,803 Andritz	499	0.05
Telecommunications – 0.02%			
	33,793 Telekom Austria	200	0.02
Utilities – 0.09%			
	13,950 Verbund	901	0.09
Financials – 0.18%			
	58,091 Erste Bank	1,649	0.16
	20,523 Raiffeisen Bank International	233	0.02
Total Austria		4,326	0.42
Belgium – 1.60% (31/08/22 – 1.60%)			
Basic Materials – 0.15%			
	4,271 Solvay	391	0.04
	38,579 Umicore	808	0.08
	46,274 Viohalco	275	0.03
Industrials – 0.07%			
	6,315 Ackermans	785	0.07
Consumer Goods – 0.66%			
	145,060 Anheuser-Busch InBev	6,523	0.63
	42 Lotus Bakeries	261	0.03
Healthcare – 0.14%			
	20,786 UCB	1,471	0.14
Consumer Services – 0.04%			
	3,237 D Ieteren	418	0.04
Telecommunications – 0.03%			
	51,622 Proximus	309	0.03
Utilities – 0.04%			
	5,193 Elia Group	473	0.04
Financials – 0.47%			
	29,055 Ageas (Bruxelles listed)	913	0.09
	3,305 Groupe Bruxelles Lambert	210	0.02
	10,745 Groupe Bruxelles Lambert (London listed)	684	0.07
	38,073 KBC Group	1,975	0.19
	2,369 Sofina	421	0.04
	26,457 Warehouses De Pauw	598	0.06
Total Belgium		16,515	1.60
Bermuda – 0.01% (31/08/22 – 0.01%)			
Technology – 0.01%			
	102,115 AutoStore Holdings	138	0.01
Total Bermuda		138	0.01
Colombia – 0.05% (31/08/22 – 0.06%)			
Financials – 0.05%			
	13,334 Komerčni Banka	333	0.03
	46,504 Moneta Money Bank	137	0.02
Total Colombia		470	0.05

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Czech Republic – 0.01% (31/08/22 – 0.00%)			
Consumer Goods – 0.00%			
	35 Philip Morris	21	–
Industrials – 0.01%			
	2,300 Colt CZ	46	0.01
Total Czech Republic		67	0.01
Denmark – 6.13% (31/08/22 – 5.61%)			
Industrials – 0.87%			
	562 A.P. Moller-Maersk 'A'	791	0.08
	511 A.P. Moller-Maersk 'B'	736	0.07
	29,050 DSV	4,355	0.42
	485 Rockwool International 'B'	98	0.01
	163,376 Vestas Wind System	2,989	0.29
Consumer Goods – 0.44%			
	15,319 Carlsberg 'B'	1,769	0.17
	15,480 Christian Hansen	798	0.08
	14,645 Pandora	1,200	0.12
	10,516 Royal Unibrew	726	0.07
Healthcare – 4.36%			
	20,355 Coloplast 'B'	1,833	0.18
	10,559 Genmab	3,201	0.31
	14,930 Lundbeck	53	0.01
	42,695 Lundbeck	171	0.02
	259,296 Novo Nordisk 'B'	38,173	3.69
	31,694 Novozymes	1,084	0.10
	16,916 William Demant	548	0.05
Utilities – 0.17%			
	35,020 Orsted	1,769	0.17
Financials – 0.27%			
	113,572 Danske Bank	2,022	0.19
	55,395 Tryg	836	0.08
Technology – 0.02%			
	2,995 Simcorp	252	0.02
Total Denmark		63,404	6.13
Finland – 2.22% (31/08/22 – 2.78%)			
Oil & Gas – 0.20%			
	70,081 Neste Oyj	2,029	0.20
Basic Materials – 0.32%			
	110,420 Stora Enso	1,116	0.11
	80,617 UPM-Kymmene	2,194	0.21
Industrials – 0.44%			
	4,611 Huhtamaki Oyj	125	0.01
	54,691 Kone 'B'	1,972	0.19
	128,470 Metso	1,170	0.11
	25,475 Valmet	513	0.05
	84,178 Wartsila	844	0.08
Healthcare – 0.06%			
	17,943 Orion Oyj	583	0.06
Consumer Services – 0.08%			
	52,103 Kesko 'B'	804	0.08
Telecommunications – 0.12%			
	30,591 Elisa Oyj	1,188	0.12
Utilities – 0.01%			
	12,752 Fortum	136	0.01

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Finland – 2.22% (31/08/22 – 2.78%) – continued			
Financials – 0.73%			
	17,775 Kojamo Oyj	140	0.01
	553,911 Nordea Bank	4,803	0.46
	76,891 Sampo Oyj 'A'	2,675	0.26
Technology – 0.26%			
	847,981 Nokia	2,682	0.26
Total Finland		22,974	2.22
France – 21.42% (31/08/22 – 20.66%)			
Oil & Gas – 1.80%			
	374,505 TotalEnergies	18,627	1.80
Basic Materials – 1.03%			
	68,352 Air Liquide	9,769	0.94
	10,610 Arkema	878	0.09
Industrials – 4.45%			
	5,205 ADP Promesses	542	0.05
	50,798 Alstom	1,110	0.11
	50,798 Alstom Rights*	–	–
	164,092 Bolloré	765	0.07
	42,901 Bouygues	1,172	0.11
	48,747 Bureau Veritas	1,033	0.10
	3,948 Dassault Aviation	614	0.06
	41,384 Edenred	2,085	0.20
	17,384 Eiffage	1,360	0.13
	54 Financiere de l'Odette	67	0.01
	60,315 Getlink	797	0.08
	43,027 Legrand	3,357	0.32
	39,563 Rexel	735	0.07
	57,144 Safran	7,259	0.70
	71,352 Saint Gobain	3,675	0.36
	89,174 Schneider Electric	12,111	1.17
	16,121 Thales	1,861	0.18
	85,158 Vinci	7,510	0.73
Consumer Goods – 6.24%			
	102,559 Danone	4,729	0.46
	5,659 Hermes International	9,213	0.89
	38,190 L'Oreal	13,274	1.28
	40,517 LVMH	27,145	2.62
	107,410 Michelin	2,658	0.26
	32,111 Pernod-Ricard	4,982	0.48
	5,114 Remy Cointreau	626	0.06
	32,324 Renault	1,034	0.10
	5,208 SEB	452	0.04
	35,310 Valeo	544	0.05
Healthcare – 2.39%			
	8,654 BioMérieux	709	0.07
	49,438 Essilor International	7,363	0.71
	5,796 Ipsen Promesses	595	0.06
	178,701 Sanofi	15,098	1.46
	4,337 Sartorius Stedim Biotech	974	0.09
Consumer Services – 1.28%			
	10,837 Accor	307	0.03
	32,458 ALD	248	0.02
	106,989 Carrefour	1,619	0.16
	19,674 Française des Jeux	562	0.05
	9,601 JC Decaux	141	0.01
	11,971 Kering	5,067	0.49
	41,148 Publicis Group	2,538	0.25
	14,614 Sodexo	1,239	0.12
	3,664 Soitec	530	0.05
	139,368 Vivendi	1,004	0.10
Telecommunications – 0.29%			
	338,915 Orange	3,007	0.29

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Utilities – 0.55%			
	293,231 Engie	3,740	0.36
	23,655 Neoen	562	0.05
	58,461 Veolia Environnement	1,445	0.14
Financials – 2.45%			
	11,679 Amundi	551	0.05
	295,145 AXA	7,022	0.68
	184,993 BNP Paribas	9,461	0.91
	8,671 Covivio	335	0.03
	182,286 Credit Agricole	1,820	0.18
	3,533 Eurazeo	165	0.02
	11,295 Gecina	956	0.09
	7,808 Icade EMGP	232	0.02
	35,104 Klepierre	733	0.07
	27,381 Scor Regroupe	674	0.07
	110,744 Societe Generale	2,487	0.24
	15,913 Unibail-Rodamco-Westfield	673	0.07
	2,778 Wendel	201	0.02
Technology – 0.94%			
	26,058 Capgemini	3,846	0.37
	107,442 Dassault Systemes	3,367	0.33
	9,037 Teleperformance	990	0.10
	14,577 Ubisoft Entertainment	349	0.03
	44,075 Worldline	1,135	0.11
Futures – 0.00%			
	51 EOP CAC 10 Euro Future September 2023	(34)	–
Total France		221,695	21.42
Germany – 15.95% (31/08/22 – 15.60%)			
Oil & Gas – 0.08%			
	5,077 Fuchs Petrolub	132	0.01
	23,382 Fuchs Petrolub Preference	769	0.07
Basic Materials – 1.81%			
	146,523 BASF	5,884	0.57
	154,134 Bayer	6,682	0.65
	28,604 Brenntag	1,830	0.18
	30,584 Covestro	1,285	0.12
	23,190 Evonik Industries	352	0.03
	14,341 Lanxess	359	0.03
	25,249 Symrise	2,080	0.20
	2,352 Wacker Chemie	274	0.03
Industrials – 2.63%			
	145,074 DHL	5,354	0.52
	4,954 Fraport	213	0.02
	27,913 GEA	877	0.08
	6,316 Hochtief	533	0.05
	11,456 KION	363	0.04
	16,300 Knorr-Bremse	882	0.09
	9,480 MTU Aero Engines	1,758	0.17
	856 Rational	515	0.05
	409 Sartorius	105	0.01
	3,754 Sartorius Preference	1,216	0.12
	114,663 Siemens	13,675	1.32
	87,955 Siemens Energy	990	0.10
	54,331 Thyssenkrupp	331	0.03
	16,133 Traton	262	0.03
Consumer Goods – 2.94%			
	26,289 Adidas	4,164	0.40
	15,231 Beiersdorf	1,577	0.15
	53,851 BMW	4,487	0.43
	7,810 BMW Preference	599	0.06
	21,174 Continental	1,248	0.12
	142,870 Daimler	8,276	0.80
	77,815 Daimler Truck	2,161	0.21
	5,647 Hella Hueck	316	0.03
	13,819 Henkel	754	0.07
	30,712 Henkel Preference	1,856	0.18
	19,761 Puma	1,053	0.10

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Germany – 15.95% (31/08/22 – 15.60%) – continued			
Consumer Goods – 2.94% – continued			
6,404	Rheinmetall	1,379	0.13
2,823	Volkswagen	319	0.03
24,226	Volkswagen Preference	2,349	0.23
Healthcare – 0.78%			
5,725	Carl Zeiss Meditec	451	0.04
64,990	Fresenius	1,648	0.16
36,814	Fresenius Medical Care	1,403	0.14
19,980	Merck KGaA	2,842	0.27
43,127	Siemens Healthineers	1,708	0.17
Consumer Services – 0.31%			
11,671	Cts Eventim	575	0.06
4,091	Fielmann	151	0.01
23,870	Hellofresh	606	0.06
47,941	Lufthansa	338	0.03
31,030	Metro	195	0.02
3,586	Sixt	302	0.03
4,254	Sixt Preference	218	0.02
32,978	Zalando	813	0.08
Telecommunications – 0.92%			
553,532	Deutsche Telekom	9,359	0.90
154,650	Telefonica Deutschland	233	0.02
Utilities – 0.57%			
431,698	E.On	4,204	0.41
51,748	RWE	1,687	0.16
Financials – 3.13%			
65,344	Allianz	12,573	1.21
166,896	Commerzbank	1,455	0.14
323,763	Deutsche Bank	2,795	0.27
28,814	Deutsche Börse	4,052	0.39
5,635	Deutsche Wohnen	103	0.01
2,026	DWS Group & GmbH	55	0.01
9,996	Hannover Re	1,684	0.16
5,926	LEG Immobilien	339	0.03
22,445	Muenchener Rueckver	6,884	0.67
11,554	Talanx	614	0.06
95,353	Vonovia	1,822	0.18
Technology – 2.78%			
13,966	Bechtle	537	0.05
28,401	Delivery Hero	818	0.08
220,025	Infineon Technologies	6,239	0.60
11,064	Nemetschek	605	0.06
178,365	SAP	19,720	1.91
11,797	Scout24	641	0.06
16,061	United Internet	244	0.02
Futures – 0.00%			
11	EUX DAX Index Future September 2023	(48)	–
28	EUX Swiss Market Index Future September 2023	(16)	–
Total Germany		165,108	15.95

Greece – 0.43% (31/08/22 – 0.39%)

Oil & Gas – 0.03%			
14,312	Hellenic Petroleum	100	0.01
9,008	Motor Oil	181	0.02
Industrials – 0.01%			
30,981	Ellaktor	66	0.01
Consumer Goods – 0.05%			
23,098	Jumbo	563	0.05
Consumer Services – 0.05%			
4,503	Folli Follie**	–	–
37,569	Greek Organisation of Football Prognostics	501	0.05

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Telecommunications – 0.04%			
37,322	OTE-Hellenic Telecommunications	441	0.04
Utilities – 0.06%			
58,316	Admie	115	0.01
9,194	EYDAP Athens Water Supply & Sewage	52	–
33,456	Terna Energy	476	0.05
Financials – 0.19%			
345,794	Alpha Services And Holdings	461	0.04
454,380	Eurobank Ergasias	624	0.06
27,833	Lamda Development	161	0.02
75,931	National Bank of Greece	410	0.04
104,765	Piraeus Financial Holdings	286	0.03
Total Greece		4,437	0.43
Hungary – 0.21% (31/08/22 – 0.16%)			
Oil & Gas – 0.02%			
33,317	MOL Hungarian Oil & Gas	200	0.02
Healthcare – 0.05%			
27,429	Richter Gedeon Nyrt	543	0.05
Telecommunications – 0.02%			
188,064	Magyar Telecom	195	0.02
Financials – 0.12%			
39,597	OTP Bank	1,276	0.12
Total Hungary		2,214	0.21
Ireland – 0.58% (31/08/22 – 0.41%)			
Industrials – 0.15%			
23,159	Kingspan Group	1,549	0.15
Consumer Goods – 0.22%			
29,627	Glanbia	389	0.04
26,080	Kerry 'A' (London listed)	1,919	0.18
Financials – 0.21%			
218,226	AIB Group	785	0.07
180,336	Bank of Ireland	1,420	0.14
Total Ireland		6,062	0.58
Italy – 3.93% (31/08/22 – 3.25%)			
Oil & Gas – 0.40%			
337,360	ENI	4,127	0.40
Industrials – 0.26%			
11,530	Interpump Group	460	0.04
68,663	Leonardo	779	0.08
43,094	Prysmian	1,393	0.14
Consumer Goods – 0.21%			
10,751	De Longhi	221	0.02
33,470	Moncler	1,792	0.17
58,297	Pirelli	229	0.02
Healthcare – 0.12%			
20,844	Amplifon	536	0.05
2,240	DiaSorin	183	0.02
14,102	Recordati	558	0.05
Telecommunications – 0.07%			
2,000,832	Telecom Italia	490	0.05
777,472	Telecom Italia RNC	188	0.02
Utilities – 0.93%			
85,272	A2A SpA	128	0.01
1,161,666	Enel	6,167	0.60
366,434	Hera SpA	869	0.08

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Italy – 3.93% (31/08/22 – 3.25%) – continued			
Utilities – 0.93% – continued			
206,159	Italgas	925	0.09
200,616	Snam	813	0.08
113,310	Terna	738	0.07
Financials – 1.87%			
38,665	Banca Mediolanum	279	0.03
206,114	Banco BPM	776	0.07
100,225	Fincombank Banco Fineco	1,086	0.10
112,172	Fondiarria-Sai	223	0.02
219,910	Generali	3,588	0.35
2,479,142	Intesa Sanpaolo	5,245	0.51
119,225	Mediobanca	1,231	0.12
94,535	Nexi	537	0.05
72,436	Poste Italiane	635	0.06
301,159	UniCredit	5,809	0.56
Technology – 0.07%			
28,572	Infrastrutture Wireless	279	0.03
5,104	Reply	409	0.04
Futures – 0.00%			
13	MIL FTSE®/MIB Index Future September 2023	(10)	–
Total Italy		40,683	3.93
Luxembourg – 0.37% (31/08/22 – 0.39%)			
Basic Materials – 0.16%			
40,162	ArcelorMittal	844	0.08
62,957	Tenaris	794	0.08
Industrials – 0.14%			
22,238	Eurofins Scientific	1,082	0.11
36,588	Inpost	340	0.03
Consumer Services – 0.01%			
4,771	RTL	139	0.01
Technology – 0.06%			
64,663	Allegro.EU	409	0.04
16,420	SUSE	219	0.02
Total Luxembourg		3,827	0.37
Netherlands – 11.66% (31/08/22 – 11.31%)			
Basic Materials – 0.37%			
36,648	Akzo Nobel	2,355	0.23
12,929	IMCD Group	1,407	0.14
Industrials – 1.67%			
15,268	Aalberts Industries	502	0.05
96,869	Airbus	11,231	1.08
164,976	CNH Industrial	1,782	0.17
87,472	Ferrovial	2,191	0.21
23,868	Randstad	1,108	0.11
21,842	Signify	489	0.05
Consumer Goods – 1.50%			
77,663	Davide Campari-Milano	800	0.08
18,707	Ferrari	4,684	0.45
44,699	Heineken	3,438	0.33
22,603	Heineken Holdings	1,429	0.14
16,692	JDE Peet's	367	0.03
329,721	Stellantis	4,824	0.47
Healthcare – 0.76%			
9,616	Argenx	3,827	0.37
151,872	Koninklijke Philips	2,705	0.26
37,509	Qiagen NMBC	1,358	0.13

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Consumer Services – 1.01%			
26,522	Just Eat Takeaway.com	295	0.03
150,676	Koninklijke Ahold	3,894	0.38
122,348	Universal Music	2,398	0.23
40,597	Wolters Kluwer	3,867	0.37
40,597	Wolters Kluwer Rights*	–	–
Telecommunications – 0.16%			
594,397	KPN Koninklijke	1,642	0.16
Financials – 1.85%			
67,877	ABN AMRO	790	0.08
67,877	ABN AMRO Bank*	–	–
289,930	Aegon	1,177	0.11
289,930	Aegon N.V. Rights*	–	–
27,293	ASR Nederland	943	0.09
20,078	CTP	225	0.02
20,078	CTP N.V. Rights*	–	–
12,894	Euronext	736	0.07
16,512	Exor	1,156	0.11
587,402	ING Groep certificates	6,591	0.64
47,435	NN Group	1,445	0.14
47,435	NN Group N.V. Rights*	–	–
111,477	Prosus	6,088	0.59
Technology – 4.34%			
4,913	Adyen	3,251	0.31
7,514	ASM International	2,864	0.28
64,848	ASML Holding	33,765	3.26
13,517	BE Semiconductor Industries	1,228	0.12
103,794	STMicroelectronics	3,882	0.37
Futures – 0.00%			
7	EOE Amsterdam Index Future September 2023	(27)	–
Total Netherlands		120,707	11.66
Norway – 1.52% (31/08/22 – 1.99%)			
Oil & Gas – 0.50%			
56,257	Aker BP	1,205	0.12
157,465	Equinor	3,834	0.37
28,290	Var Energi	65	0.01
Basic Materials – 0.12%			
201,934	Norsk Hydro	885	0.09
10,983	Yara International	317	0.03
Industrials – 0.13%			
7,913	Aker 'A'	385	0.04
15,029	Kongsberg Gruppen	491	0.05
41,893	Tomra	454	0.04
Consumer Goods – 0.26%			
70,059	Leroy Seafood Group	229	0.02
75,214	Mowi	1,075	0.10
148,197	Orkla	890	0.09
12,605	Salmar	484	0.05
Consumer Services – 0.05%			
20,648	Schibsted	347	0.03
12,449	Schibsted 'B'	193	0.02
Telecommunications – 0.09%			
112,642	Telenor	952	0.09
Financials – 0.32%			
189,343	DNB Bank ASA	2,958	0.29
27,967	Gjensidige Forsikring	343	0.03
Technology – 0.05%			
45,166	Adevinta 'B'	254	0.02
35,280	Nordic Semiconductor	340	0.03
Total Norway		15,701	1.52

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Poland – 0.50% (31/08/22 – 0.32%)			
Oil & Gas – 0.08%			
	67,130 Polski Koncern Naftowy Orlen	810	0.08
Basic Materials – 0.05%			
	22,918 KGHM	501	0.05
Consumer Goods – 0.10%			
	6,611 Dino Polska	480	0.05
	206 LPP	548	0.05
Financials – 0.27%			
	30,232 Bank Pekao	624	0.06
	142,436 PKO Bank Polski	1,019	0.10
	99,843 PZU	790	0.07
	5,942 Santander Bank	423	0.04
Total Poland		5,195	0.50
Portugal – 0.31% (31/08/22 – 0.34%)			
Oil & Gas – 0.10%			
	93,149 Galp Energia SGPS	1,013	0.10
Consumer Services – 0.08%			
	42,920 Jeronimo Martins	864	0.08
Utilities – 0.13%			
	360,347 Energias de Portugal	1,298	0.13
Total Portugal		3,175	0.31
Spain – 5.13% (31/08/22 – 5.59%)			
Oil & Gas – 0.24%			
	205,805 Repsol	2,507	0.24
Industrials – 0.31%			
	5,403 Acciona	610	0.06
	39,138 Actividades de Construccion y Servicios	1,086	0.10
	12,851 Aena	1,596	0.15
Healthcare – 0.09%			
	53,212 Grifols 'A'	576	0.06
	38,827 Grifols 'B'	291	0.03
Consumer Services – 0.52%			
	179,224 Inditex	5,427	0.52
Telecommunications – 0.56%			
	94,297 Cellnex Telecom	2,849	0.28
	890,238 Telefonica	2,916	0.28
Utilities – 1.30%			
	22,088 Corp ACCIONA Energias Renovables	519	0.05
	81,009 EDP Renovaveis	1,173	0.11
	6,556 Enagas	88	0.01
	41,849 Endesa	688	0.07
	993,608 Iberdrola	9,323	0.90
	16,709 Naturgy Energy	383	0.04
	94,584 Red Electrica de Espana	1,215	0.12
Financials – 1.72%			
	2,643,629 Banco Santander	8,156	0.79
	91,105 Bankinter	461	0.04
	992,597 BBVA	6,176	0.60
	592,589 CaixaBank	1,895	0.18
	220,816 Corporacion Mapfre	369	0.04
	69,227 Inmobiliaria Colonial	333	0.03
	53,001 Merlin Properties REIT	375	0.04
Technology – 0.39%			
	74,217 Amadeus IT 'A'	4,023	0.39

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Futures – 0.00%			
	7 MFM Ibox 35 Index Future September 2023	5	–
Total Spain		53,040	5.13
Sweden – 5.80% (31/08/22 – 6.68%)			
Basic Materials – 0.32%			
	39,935 Alleima 'AB'	145	0.01
	51,693 Boliden	1,087	0.11
	20,295 Holmen	608	0.06
	106,196 SCA 'B'	1,119	0.11
	60,565 SSAB 'B'	265	0.03
	2,998 Svenska Cellulosa	32	–
Industrials – 2.95%			
	56,178 Alfa Laval	1,562	0.15
	159,374 Assa Abloy 'B'	2,836	0.27
	430,178 Atlas Copco 'A'	4,492	0.43
	236,989 Atlas Copco 'B'	2,156	0.21
	60,954 Beijer Ref AB	550	0.05
	96,597 Epiroc AB 'A'	1,463	0.14
	50,629 Epiroc AB 'B'	654	0.06
	359,071 Hexagon	2,533	0.25
	45,338 Indutrade	688	0.07
	24,111 Latour	346	0.03
	251,855 Nibe Industrier	1,491	0.14
	15,935 Saab 'B'	664	0.06
	175,711 Sandvik	2,624	0.25
	89,050 Securitas 'B'	573	0.06
	67,644 Skanska 'AB'	781	0.08
	86,085 SKF 'B'	1,101	0.11
	47,737 Sweco	367	0.04
	38,273 Trelleborg 'B'	767	0.07
	28,007 Volvo 'A'	452	0.04
	272,196 Volvo 'B'	4,333	0.42
	84,162 Volvo 'B'	253	0.02
Consumer Goods – 0.21%			
	33,688 Electrolux	293	0.03
	76,536 Essity 'B'	1,414	0.14
	56,020 Husqvarna 'B'	380	0.04
	3,328 Husqvarna Group AB 'A'	23	–
Healthcare – 0.13%			
	24,634 BioVitrum	372	0.04
	29,453 Getinge 'B'	404	0.04
	34,538 Lifco AB	499	0.05
	24,634 Swedish Orphan Biovit Rights	18	–
Consumer Services – 0.42%			
	20,794 AXFD	396	0.04
	29,136 Evolution Gaming Group	2,490	0.24
	115,446 Hennes & Mauritz 'B'	1,397	0.14
Telecommunications – 0.13%			
	97,838 Tele2 'B'	544	0.05
	487,352 Telia Company (Stockholm listed)	776	0.08
Financials – 1.42%			
	65,979 Castellum	558	0.05
	59,179 EQT AB	943	0.09
	128,684 Fastighets AB Balder	489	0.05
	4,685 Handelsbanken 'B'	37	–
	33,864 Industivarden 'A'	698	0.07
	13,133 Industivarden 'C'	270	0.03
	101,978 Investor AB 'A'	1,548	0.15
	247,273 Investor AB 'B'	3,773	0.36
	28,393 Kinnevik 'B'	266	0.03
	7,113 Lundbergs AB 'B'	228	0.02
	245,161 Skandinaviska Enskilda Banken 'A'	2,249	0.22
	3,224 Skandinaviska Enskilda Banken 'C'	30	–
	224,213 Svenska Handelsbanken 'A'	1,476	0.14
	155,833 Swedbank 'A'	2,182	0.21

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Sweden – 5.80% (31/08/22 – 6.68%) – continued			
Technology – 0.18%			
	5,490 Ericsson 'A'	23	–
	462,613 Ericsson 'B'	1,882	0.18
Real Property – 0.04%			
	23,154 Sagax 'B'	384	0.04
	10,019 Sagax 'D'	19	–
Futures – 0.00%			
	46 SSE OMXS30 Index Future September 2023	3	–
Total Sweden		60,006	5.80
Switzerland – 19.30% (31/08/22 – 21.30%)			
Basic Materials – 0.97%			
	44,283 Clariant	583	0.06
	103 EMS Chemie	61	0.01
	1,519 Givaudan	4,000	0.39
	23,525 Sika	5,261	0.51
Industrials – 2.06%			
	242,220 ABB	7,289	0.70
	33,891 Adecco	1,155	0.11
	1,441 Belimo Holding AG	599	0.06
	4,423 Flughafen Zuerich	720	0.07
	5,284 Geberit	2,165	0.21
	14,512 Georg Fischer	741	0.07
	46,691 Holcim	2,443	0.24
	8,031 Kuehne & Nagel	1,908	0.18
	2,439 Schindler	405	0.04
	8,873 Schindler participation certificates	1,563	0.15
	56,505 Sig Combibloc Group	1,175	0.11
	3,829 Vat Group	1,212	0.12
Consumer Goods – 5.41%			
	471 Barry Callebaut	649	0.06
	17 Chocoladefabriken Lindt & Sprungli	1,583	0.15
	84,580 CIE Financiere Richemont 'A'	9,488	0.92
	348 Emmi AG	296	0.03
	137 Lindt & Spruengli-participating certificates	1,294	0.13
	433,201 Nestlé (registered)	41,183	3.98
	5,429 Swatch 'B'	1,206	0.12
	6,012 Swatch 'R'	253	0.02
Healthcare – 6.85%			
	82,964 Alcon	5,478	0.53
	5,278 Bachem	390	0.04
	23,219 DSM Firmenich	1,691	0.16
	11,381 Lonza	4,970	0.48
	328,946 Novartis (registered)	26,246	2.54
	114,277 Roche Holding	26,573	2.57
	3,726 Roche Holding 'B'	918	0.09
	8,422 Sonova	1,758	0.17
	17,150 Straumann Holding	2,053	0.20
	2,469 Tecan	778	0.07
Consumer Services – 0.21%			
	6,077 DKSH	367	0.04
	24,650 SGS	1,769	0.17
Telecommunications – 0.22%			
	4,660 Swisscom	2,240	0.22
Utilities – 0.05%			
	3,883 BKW Energie	527	0.05
Financials – 3.33%			
	7,669 Baloise	946	0.09
	3,419 Banque Cantonale Vaudoise	293	0.03
	6,081 Helvetia Holding	731	0.07
	34,644 Julius Baer	1,902	0.18
	3,436 Partners	2,932	0.28
	9,084 PSP Swiss Property	871	0.08
	4,987 Swiss Life	2,471	0.24

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
	12,992 Swiss Prime Site	985	0.09
	49,178 Swiss Reinsurance	3,774	0.36
	505,841 UBS (registered)	10,617	1.03
	24,622 Zurich Insurance	9,128	0.88
Technology – 0.20%			
	26,040 Logitech	1,425	0.14
	10,644 Temenos Group	668	0.06
Total Switzerland		199,733	19.30
Turkey – 1.03% (31/08/22 – 0.42%)			
Oil & Gas – 0.05%			
	14,080 Alfa Solar Enerji	60	0.01
	36,400 Margün Enerji Üretim	56	0.01
	79,604 Tupras-Turkiye Petrol Rafine	333	0.03
Basic Materials – 0.12%			
	66,983 Bera Holding	27	–
	6,348 Erciyas Steel Pipe	25	–
	9,293 Gubre Fabrikalari	98	0.01
	132,692 Hektas	101	0.01
	182,661 Iskenderun Demir Celik	218	0.02
	3,726 Kimteks Poliuretan Sanayi	10	–
	72,865 Kocaer Celik Sanayi	49	0.01
	54,662 Kordsa Global Endustriyel	132	0.01
	199,626 Koza Altin Isletmeleri	168	0.02
	157,190 Petkim Petrokimya	95	0.01
	237,149 QUA Granite	49	0.01
	127,824 SASA	200	0.02
Industrials – 0.18%			
	52,601 Akcansa Cimento	215	0.02
	94,341 Alarko	358	0.03
	2,574 Anadolu Isuzu Automotive Industry	18	–
	19,909 Borusan Mannesman	448	0.04
	358,404 Enka Insaat	348	0.03
	48,282 Europen Endustri Insaat Sanayi	30	–
	209,537 Karsan Automotive Industry	73	0.01
	281 Konya Cimento	49	–
	6,390 Otokar Otomotiv Ve Savunma San	68	0.01
	115,861 Sarkuysan Elektrolitik	129	0.01
	50,225 TAV Havalimanlari	182	0.02
	4,711 Turk Traktor Ve Ziraat Makin	126	0.01
Consumer Goods – 0.18%			
	25,717 AG Anadolu	158	0.02
	44,338 Anadolou Efes Biracilik	140	0.01
	38,527 Arcelik	186	0.02
	20,430 Brisa Bridgestone	44	–
	22,285 Coca Cola Icecek	259	0.03
	299 EGE Endustri	63	0.01
	12,040 Ford Otomotiv Sanayi	307	0.03
	243,618 Kerevitas	90	0.01
	62,444 Mavi Giyim	197	0.02
	28,538 Tofas Turk Otomobil Fabrikasi	228	0.02
	10,805 Ulker Biskuvi Sanayi	20	–
	44,939 Vestel Elektronik	91	0.01
Healthcare – 0.02%			
	39,335 GEN	76	0.01
	13,756 MLP Saglik Hizmetleri	52	0.01
Consumer Services – 0.10%			
	65,388 BIM Birlesik Magazalar	488	0.05
	118,494 Dogan Sirketler Grubu Holdings	50	–
	13,852 Dogus Otomotiv Servis	117	0.01
	17,179 Migros	176	0.02
	25,982 Selcuk Ecza Deposu	45	–
	68,175 Sok Marketler	124	0.01
	224,141 Vestel	120	0.01
Telecommunications – 0.03%			
	18,092 Turk Telekomunikasyon	14	–
	197,111 Turkcell Iletisim Hizmetleri	326	0.03

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Turkey – 1.03% (31/08/22 – 0.42%) – continued			
Utilities – 0.11%			
1,128,011	Ahlatci Dogal Gaz Dagi	467	0.05
261,711	Aydem Renewables	143	0.01
62,114	Aygaz	222	0.02
28,744	Baskent Dogalgaz Dagitim Gayrimenkul Yatir	16	–
91,031	Galata Wind	78	0.01
164,981	Odas Elektrik Uretim	64	0.01
21,116	Smart Gunes Enerjisi Tekn	47	–
422,227	Zorlu Enerji Elektrik	60	0.01
Financials – 0.23%			
476,474	Akbank T.A.S	406	0.04
1,549	Borusan Yatirim ve Pazarlama	92	0.01
571,841	Emlak Konut Gayrimenkul	145	0.01
83,335	Garanti Bankasi	124	0.01
2,388	Investco Holding	22	–
63,247	Is Gayrimenkul Yatirim Ortaligi	36	–
36,147	Is Yatirim Menkul Degerler	45	–
38,080	Kiler	25	–
11,573	Kizilbuk Gayrimenkul Yatirim Ortakligi	8	–
127,712	KOC	536	0.05
7,317	Oyak Yatirim Menkul	14	–
63,016	Ozak Gayrimenkul Reit	17	–
437,088	Polisan Holding	170	0.02
24,431	Torunlar Gayrimenkul Yatirim Ortakligi	18	–
261,223	TSKB Elektrik	55	0.01
149,852	Turkiye Halk Bankasi	59	0.01
416,998	Turkiye Is Bankasi	260	0.03
194,513	Turkiye Vakiflar Bankasi	78	0.01
522,166	Yapi Ve Kredi Bankasi	246	0.02
493,245	Ziraat Gayrimenkul Yatirim Ortakligi	80	0.01
Technology – 0.01%			
14,319	Kontrolmatik Enerji Ve	116	0.01
25,524	Penta Teknoloji Urunleri Dagitim	17	–
Total Turkey		10,702	1.03
United Kingdom – 0.05% (31/08/22 – 0.02%)			
Consumer Goods – 0.01%			
24,979	Peppo Group	155	0.01
Financials – 0.04%			
77,793	Allfunds	364	0.04
Total United Kingdom		519	0.05
Total value of investments*		1,020,698	98.63
Net other assets		14,180	1.37
Total net assets		1,034,878	100.00

* Including investment liabilities

+ Value less than £1,000

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 2023

Significant Purchases

	Cost £'000
Nestlé (registered)	6,901
ASML Holding	6,487
Novo Nordisk 'B'	5,666
Roche Holding	5,248
LVMH	5,188
Novartis (registered)	4,035
SAP	3,157
TotalEnergies	2,799
Sanofi	2,556
Hermes International	2,503
Subtotal	44,540
Total cost of purchases, including the above, for the year	202,915

Significant Sales

	Proceeds £'000
Holcim	1,952
Nestlé (registered)	1,794
Roche Holding	1,488
Atlantia	1,360
Novartis (registered)	1,331
Porsche Preference	1,327
Prosus	1,311
Siemens	1,249
Corp ACCIONA Energias Renovables	1,158
TotalEnergies	1,109
Subtotal	14,079
Total proceeds from sales, including the above, for the year	61,594

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital gains/ (losses)	2	92,594	(126,560)
Revenue	3	29,860	25,279
Expenses	4	(547)	(505)
Interest payable and similar charges		(1)	(74)
Net revenue before taxation		29,312	24,700
Taxation	5	(4,347)	(3,784)
Net revenue after taxation		24,965	20,916
Total return/(deficit) before distributions		117,559	(105,644)
Distributions	6	(24,638)	(20,269)
Change in net assets attributable to shareholders from investment activities		92,921	(125,913)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		1,020,833	787,567
Current assets:			
Debtors	7	2,525	1,812
Cash and bank balances	8	11,796	7,518
Total assets		1,035,154	796,897
Liabilities			
Investment liabilities		135	111
Creditors:			
Bank overdraft		73	4
Other creditors	9	68	3,356
Total liabilities		276	3,471
Net assets attributable to shareholders		1,034,878	793,426

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	793,426	882,653
Amounts receivable on creation of shares	159,653	76,312
Amounts payable on cancellation of shares	(38,100)	(60,121)
	121,553	16,191
Dilution adjustment charged	706	460
Change in net assets attributable to shareholders from investment activities	92,921	(125,913)
Retained distribution on accumulation shares	26,272	20,035
Closing net assets attributable to shareholders	1,034,878	793,426

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains/(losses)

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	92,014	(125,199)
Derivative securities	1,332	(1,891)
Currency (losses)/gains	(752)	530
Net capital gains/(losses)	92,594	(126,560)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	50	31
Overseas dividends	29,007	24,414
Bank interest	158	4
Interest received on amounts held with brokers	39	–
Stock lending income	217	178
Stock dividends	389	652
Total revenue	29,860	25,279

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	547	505
Total expenses	547	505

* Audit fee £17,464 (31/12/22: £16,632) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	2,774	2,287
Reclaimable tax written off	1,625	1,531
Windfall overseas tax recoveries	(52)	(34)
Current tax charge for the year	4,347	3,784

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	29,312	24,700
Corporation tax at 20% (31/08/22: 20%)	5,862	4,940
Effects of:		
Revenue not subject to taxation	(5,860)	(5,000)
Current year expenses not utilised	2	63
Irrecoverable overseas tax	2,774	2,287
Reclaimable tax written off	1,625	1,531
Windfall overseas tax recoveries	(52)	(34)
Tax relief on overseas tax suffered	(4)	(3)
Current tax charge for the year	4,347	3,784

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £1,383,000 (31/08/22: £1,381,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Interim	3,689	3,566
Final	22,583	16,469
	26,272	20,035
Add: Amounts deducted on cancellation of shares	84	595
Deduct: Amounts received on the creation of shares	(1,718)	(361)
Net distributions for the year	24,638	20,269

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	24,965	20,916
Stock dividend charged to capital	(389)	(652)
Irrecoverable tax on special dividends	62	5
Net distributions for the year	24,638	20,269

Details of the distribution per share are set out on page 198.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	96	–
Accrued revenue	205	170
Overseas withholding tax recoverable	2,224	1,642
Total debtors	2,525	1,812

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	10,667	6,411
Amounts held at futures clearing houses and brokers	1,129	1,107
Total cash and bank balances	11,796	7,518

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	–	3,280
Foreign exchange purchases awaiting settlement	–	18
Accrued expenses	52	42
Corporation tax payable	16	16
Total other creditors	68	3,356

10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/22	3,571	614,761,465
Shares issued	–	110,958,543
Shares cancelled	–	(29,053,504)
Closing shares at 31/08/23	3,571	696,666,504

	Class S Accumulation	Class Z Accumulation
Opening shares at 01/09/22	1,077,357	541,760
Shares issued	209,581	164,937
Shares cancelled	(285,790)	(58,896)
Closing shares at 31/08/23	1,001,148	647,801

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 (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 £44,000 (31/08/22: £3,322,000).

At the year end, 31 August 2023, 89.78% (31/08/22: 92.81%) 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 £54,000 (Gross: £272,000) (31/08/22: £45,000 (Gross: £223,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £140,335,000 (31/08/22: £112,794,000).

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

Asset class	31 Aug 2023	31 Aug 2022
	Collateral Held £'000	Collateral Held £'000
Equity	94,345	30,668
Bonds	55,193	88,719

The aggregate value of collateral held at the balance sheet date was £149,538,000 (31/08/22: £119,387,000).

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, Goldman Sachs, HSBC Bank, JP Morgan Securities, 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 183 to 189.

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 191. 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 2023 £'000	31 Aug 2022 £'000
Sterling	517	(3,007)
Czech koruna	577	484
Danish krone	63,809	44,898
Euro	674,213	504,838
Hungarian forint	2,241	1,309
Norwegian krone	15,961	15,975
Polish zloty	5,844	3,153
Swedish krona	60,552	53,512
Swiss franc	200,447	168,916
Turkish lira	10,711	3,342
US dollar	6	6
Total	1,034,878	793,426

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 £103,436,000 (31/08/22: £79,643,000). 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 £103,436,000 (31/08/22: £79,643,000). 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 £102,070,000 (31/08/22: £78,746,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £102,070,000 (31/08/22: £78,746,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £10,667,000 (31/08/22: £6,411,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.03% of the current Net Asset Value and 0.81% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

16. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	202,450	6	–	181	0.09	–	–	202,637
Corporate actions	278	–	–	–	–	–	–	278
Total	202,728	6		181		–		202,915

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	57,877	2	–	–	–	–	–	57,875
Corporate actions	3,719	–	–	–	–	–	–	3,719
Total	61,596	2		–		–		61,594

The Fund had paid £15,000 as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.02%
Other expenses	0.00%

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	83,569	2	–	62	0.07	1	–	83,634
Corporate actions	475	–	–	–	–	–	–	475
Total	84,044	2		62		1		84,109

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	40,528	–	–	–	–	–	–	40,528
Corporate actions	3,417	–	–	–	–	–	–	3,417
Total	43,945	–		–		–		43,945

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%

At the balance sheet date the portfolio dealing spread was 0.11% (31/08/22: 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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	1,019,833	–	–	1,019,833
Collective investment schemes	992	–	–	992
Derivatives	8	–	–	8
Total	1,020,833	–	–	1,020,833
Investment liabilities				
Derivatives	(135)	–	–	(135)
Total	(135)	–	–	(135)

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	786,793	–	–	786,793
Collective investment schemes	770	–	–	770
Derivatives	4	–	–	4
Total	787,567	–	–	787,567
Investment liabilities				
Derivatives	(111)	–	–	(111)
Total	(111)	–	–	(111)

18. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £1,059,037,179. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 2.28%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class P Accumulation				
Group 1	0.4439	–	0.4439	0.4540
Group 2	0.4439	0.0000	0.4439	0.4540
Class R Accumulation				
Group 1	0.5674	–	0.5674	0.5879
Group 2	0.1695	0.3979	0.5674	0.5879
Class S Accumulation				
Group 1	0.5220	–	0.5220	0.5409
Group 2	0.5220	0.0000	0.5220	0.5409
Class Z Accumulation				
Group 1	0.7424	–	0.7424	0.7685
Group 2	0.1227	0.6197	0.7424	0.7685

Final

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class P Accumulation				
Group 1	2.9427	–	2.9427	2.4435
Group 2	2.9427	0.0000	2.9427	2.4435
Class R Accumulation				
Group 1	3.2330	–	3.2330	2.6713
Group 2	0.9025	2.3305	3.2330	2.6713
Class S Accumulation				
Group 1	2.9743	–	2.9743	2.4576
Group 2	0.1906	2.7837	2.9743	2.4576
Class Z Accumulation				
Group 1	4.5851	–	4.5851	3.7868
Group 2	2.1320	2.4531	4.5851	3.7868

Royal London Emerging Markets ESG Leaders Equity Tracker Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year return %	3 year return %	5 year return %
Royal London Emerging Markets ESG Leaders Equity Tracker Fund, Class P Accumulation (Total return)	-8.51	-9.90	-
Royal London Emerging Markets ESG Leaders Equity Tracker Fund, Class R Accumulation (Total return)	-8.31	-9.27	6.73
Royal London Emerging Markets ESG Leaders Equity Tracker Fund, Class S Accumulation (Total return)	-8.34	-	-
Royal London Emerging Markets ESG Leaders Equity Tracker Fund, Class Z Accumulation (Total return)	-8.42	-9.80	5.80
MSCI Emerging Markets ESG Leaders Net Return GBP Index	-8.44	-6.53	6.36
IA Global Emerging Markets TR	-5.09	1.76	8.66

Class R Accumulation launched on 12 June 2017, Class Z Accumulation launched on 5 March 2018, Class P Accumulation launched on 14 May 2019 and Class S Accumulation launched on 12 November 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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Performance overview

The tracking error between the Fund and the MSCI Emerging Markets ESG Leaders Net Total Return GBP Index was 0.27% 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, 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 overview

Over the past months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was emerging markets, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Manager's Investment Report (continued)

Portfolio commentary

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.

JoJo Chen

Fund Manager

Royal London Asset Management Limited

31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class P Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	116.42	132.42	114.80
Return before operating charges*	(9.31)	(15.61)	18.05
Operating charges	(0.35)	(0.39)	(0.43)
Return after operating charges*	(9.66)	(16.00)	17.62
Distributions on accumulation shares	(2.39)	(2.17)	(1.55)
Retained distributions on accumulation shares	2.39	2.17	1.55
Closing net asset value per share	106.76	116.42	132.42
* after direct transaction costs of:	0.05	0.06	0.16
Performance			
Return after charges	(8.30)%	(12.08)%	15.35%
Other information			
Closing net asset value (£'000)	19	21	55
Closing number of shares	17,662	17,662	41,427
Operating charges	0.32%	0.32%	0.32%
Direct transaction costs	0.05%	0.05%	0.12%
Prices[^]			
Highest share price	119.50	135.70	146.60
Lowest share price	97.92	106.00	115.30

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	122.78	139.32	120.56
Return before operating charges*	(9.87)	(16.41)	18.90
Operating charges	(0.12)	(0.13)	(0.14)
Return after operating charges*	(9.99)	(16.54)	18.76
Distributions on accumulation shares	(2.72)	(2.59)	(1.93)
Retained distributions on accumulation shares	2.72	2.59	1.93
Closing net asset value per share	112.79	122.78	139.32
* after direct transaction costs of:	0.06	0.06	0.16
Performance			
Return after charges	(8.14)%	(11.87)%	15.56%
Other information			
Closing net asset value (£'000)	4,383,334	3,991,512	4,056,180
Closing number of shares	3,886,129,219	3,251,002,904	2,911,407,407
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.05%	0.05%	0.12%
Prices[^]			
Highest share price	126.20	142.80	154.10
Lowest share price	103.30	111.70	121.10

Class S Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21** (p)
Opening net asset value per share	93.08	105.62	100.00
Return before operating charges*	(7.47)	(12.44)	5.71
Operating charges	(0.09)	(0.10)	(0.09)
Return after operating charges*	(7.56)	(12.54)	5.62
Distributions on accumulation shares	(2.06)	(1.96)	(1.27)
Retained distributions on accumulation shares	2.06	1.96	1.27
Closing net asset value per share	85.52	93.08	105.62
* after direct transaction costs of:	0.04	0.04	0.12
Performance			
Return after charges	(8.12)%	(11.87)%	5.62%
Other information			
Closing net asset value (£'000)	3,414	24,920	26,772
Closing number of shares	3,991,940	26,773,574	25,347,683
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.05%	0.05%	0.12%
Prices[^]			
Highest share price	95.64	108.20	116.80
Lowest share price	78.31	84.70	100.00

** Class S Accumulation was launched on 12 November 2020.

Class Z Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	110.48	125.61	108.96
Return before operating charges*	(8.85)	(14.80)	17.09
Operating charges	(0.26)	(0.33)	(0.44)
Return after operating charges*	(9.11)	(15.13)	16.65
Distributions on accumulation shares	(2.33)	(2.11)	(1.43)
Retained distributions on accumulation shares	2.33	2.11	1.43
Closing net asset value per share	101.37	110.48	125.61
* after direct transaction costs of:	0.05	0.05	0.15
Performance			
Return after charges	(8.25)%	(12.05)%	15.28%
Other information			
Closing net asset value (£'000)	58,426	60,748	36,287
Closing number of shares	57,636,592	54,986,119	28,887,353
Operating charges [#]	0.25%	0.25%	0.35%
Direct transaction costs	0.05%	0.05%	0.12%
Prices[^]			
Highest share price	113.50	128.70	139.10
Lowest share price	92.93	100.60	109.40

[#] The FMF was reduced on 10 February 2022 to 0.25%.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 96.56% (31/08/22 – 97.54%)			
Bermuda – 0.56% (31/08/22 – 0.60%)			
Financials – 0.25%			
	98,470 Credicorp	10,990	0.25
Industrials – 0.03%			
	2,737,617 Shenzhen International Holdings	1,537	0.03
Oil & Gas – 0.08%			
	5,932,000 Kunlun Energy	3,427	0.08
Technology – 0.16%			
	8,348,000 Alibaba Health Information Technology	3,881	0.09
	6,072,000 China Ruyi	1,271	0.03
	9,184,000 China Ruyi Holdings	1,922	0.04
Utilities – 0.04%			
	11,202,000 Beijing Enterprises Water Group	2,029	0.04
Total Bermuda		25,057	0.56
Brazil – 3.95% (31/08/22 – 3.99%)			
Basic Materials – 0.27%			
	986,600 Companhia Siderúrgica Nacional	1,904	0.04
	1,594,875 Gerdau	6,572	0.15
	923,600 Klabin	3,351	0.08
Consumer Goods – 0.10%			
	1,663,400 Cosan Industries	4,643	0.10
Consumer Services – 0.62%			
	1,345,247 Localiza Rent	13,550	0.30
	1,344,473 Lojas Renner	3,433	0.08
	1,264,600 Natura & Co	3,058	0.07
	1,766,116 Raia Drogasil	7,736	0.17
Financials – 1.41%			
	1,394,900 Atacadao Distribuicao Comercio e Industria	2,281	0.05
	7,910,472 Banco Bradesco	18,851	0.42
	463,400 Banco Santander Brasil	2,002	0.05
	8,251,972 Hapvida Participacoes	5,603	0.13
	7,739,000 Itau Unibanco Banco Preference	33,825	0.76
Healthcare – 0.09%			
	881,300 Rede D'Or Sao Luiz SA	4,026	0.09
Industrials – 0.52%			
	1,084,900 CCR	2,153	0.05
	1,855,400 Rumo SA	6,598	0.15
	2,526,460 Weg	14,445	0.32
Oil & Gas – 0.20%			
	1,184,900 Petro Rio	8,764	0.20
Technology – 0.08%			
	754,200 Totvs	3,335	0.08
Telecommunications – 0.20%			
	785,600 Telefonica Brasil	5,178	0.12
	1,483,400 TIM Brazil	3,407	0.08
Utilities – 0.46%			
	2,324,207 Companhia Energetica	4,568	0.10
	255,700 Energisa	1,879	0.04
	1,555,100 Equatorial Energia	7,845	0.17
	479,000 Sabesp	4,422	0.10
	831,100 Ultrapar Participacoes	2,404	0.05
Total Brazil		175,833	3.95

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Cayman Islands – 19.80% (31/08/22 – 22.02%)			
Consumer Goods – 1.17%			
	8,172,000 Bosideng International Holdings	2,517	0.06
	7,033,000 China Feihe	3,334	0.08
	3,200,600 Chow Tai Fook Jewellery	3,827	0.09
	10,583,000 Geely Automobile	10,374	0.23
	2,226,100 NIO	18,042	0.41
	2,248,000 Uni-President China	1,312	0.03
	720,000 Vinda International Holdings	1,314	0.03
	10,404,000 Want Want China	5,434	0.12
	2,452,000 Yadea Group Holdings	3,716	0.08
	1,224,000 Yihai International	1,811	0.04
Consumer Services – 0.38%			
	818,500 East Buy Holding	3,274	0.07
	1,616,000 Jiumaojiu International Holdings	2,039	0.05
	144,800 Miniso ADR	2,960	0.07
	867,400 Pop Mart International	2,226	0.05
	511,600 Vipshop Holdings ADR	6,371	0.14
Financials – 0.11%			
	3,786,000 Country Garden Services	3,433	0.08
	1,522,000 Greentown China	1,424	0.03
Healthcare – 1.01%			
	3,700,000 3SBio	2,443	0.06
	2,756,000 China Medical System	3,134	0.07
	1,916,000 Genscript Biotech Corporation	3,544	0.08
	2,782,000 Hansoh Pharmaceutical Group	2,856	0.06
	2,697,800 Microport Scientific Corporation	3,644	0.08
	5,975,500 WuXi Biologics	26,550	0.60
	1,340,100 Zai Lab	2,812	0.06
Industrials – 0.23%			
	1,518,000 AAC Technologies	2,322	0.05
	214,000 Airtac International	4,852	0.11
	3,156,000 China Resources Cement	826	0.02
	606,000 Haitian International Holdings	1,027	0.02
	1,331,300 JD Logistics	1,399	0.03
Oil & Gas – 0.04%			
	2,330,500 China Conch Venture	1,806	0.04
Technology – 16.86%			
	25,443,000 Alibaba Group Holding	230,958	5.20
	3,438,450 Baidu 'A'	48,237	1.09
	3,617,400 JD.Com	46,889	1.05
	318,400 Kanzhun ADR	3,719	0.08
	5,155,000 Kingdee International Software	6,288	0.14
	3,533,900 Kuaishou Technology	22,832	0.51
	3,027,600 NetEase	49,878	1.12
	962,900 Ping An Healthcare & Technology	1,895	0.04
	10,293,900 Tencent Holdings	336,477	7.57
	1,394,800 Tongcheng Travel Holdings	2,468	0.06
Total Cayman Islands		880,264	19.80
Channel Islands – 0.00% (31/08/22 – 0.00%)			
Basic Materials – 0.00%			
	474,777 Polymetal International**	–	–
Total Channel Islands		–	–

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Chile – 0.60% (31/08/22 – 0.77%)			
Basic Materials – 0.30%			
1,613,441	Empresas CMPC	2,296	0.05
226,015	Sociedad Quimica Y Minera	11,050	0.25
Consumer Services – 0.14%			
2,032,138	Cencosud	3,407	0.08
1,508,703	S.A.C.I Falabella	2,907	0.06
Oil & Gas – 0.09%			
682,182	Empresas Copec	3,915	0.09
Utilities – 0.07%			
31,024,560	Enel Americas	2,904	0.07
Total Chile		26,479	0.60
China – 7.16% (31/08/22 – 4.75%)			
Basic Materials – 0.17%			
7,746,000	China Molybdenum	3,656	0.08
1,070,959	Jiangxi Ganfeng Lithium	4,036	0.09
Consumer Goods – 2.36%			
1,688,000	BYD	41,721	0.94
4,045,800	Haier Smart Home	9,874	0.22
1,796,100	Li Auto	29,210	0.66
2,827,800	Nongfu Spring	12,536	0.28
1,586,600	XPENG	11,744	0.26
Consumer Services – 0.08%			
1,872,000	Air China	1,093	0.03
1,492,000	China Southern Airlines	626	0.01
168,200	CTG Duty Free	1,779	0.04
Financials – 3.43%			
36,525,000	Agricultural Bank of China	9,851	0.22
145,563,000	China Construction Bank	61,380	1.38
6,030,500	China Merchants Bank	18,814	0.42
4,656,000	China Resources Land	15,533	0.35
4,265,101	China Vanke	3,927	0.09
6,134,400	Huatai Securities	6,371	0.14
89,604,000	Industrial & Commercial Bank of China 'CNY'	32,373	0.73
11,244,000	Postal Savings Bank of China	4,379	0.10
Healthcare – 0.46%			
5,013,200	Shandong Weigao Group Medical	3,930	0.09
1,248,500	Shanghai Fosun Pharmaceutical	2,319	0.05
1,987,800	Shanghai Pharmaceuticals	2,573	0.06
2,092,400	Sinopharm Group	4,780	0.11
766,479	WuXi AppTec 'H'	6,626	0.15
Industrials – 0.62%			
959,500	Anhui Conch Cement	2,100	0.05
2,150,000	Beijing Capital International Airport	889	0.02
5,575,500	COSCO Shipping Holdings	4,511	0.10
1,572,000	Jiangsu Expressway	1,120	0.03
4,335,000	Weichai Power	4,432	0.10
2,288,000	Zhejiang Expressway	1,349	0.03
651,800	ZTO Express	12,932	0.29
Technology – 0.04%			
4,856,000	China Communications Services	1,725	0.04
Total China		318,189	7.16
Colombia – 0.14% (31/08/22 – 0.16%)			
Corporate Preference – 0.06%			
536,520	Bancolombia Sa Preferred	2,812	0.06
Financials – 0.04%			
311,690	Bancolombia	1,748	0.04

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Utilities – 0.04%			
540,915	Interconexion Electrica	1,553	0.04
Total Colombia		6,113	0.14
Czech Republic – 0.17% (31/08/22 – 0.11%)			
Financials – 0.17%			
160,924	Komerčni Banka	4,020	0.09
1,277,675	Moneta Money Bank	3,769	0.08
Total Czech Republic		7,789	0.17
Egypt – 0.12% (31/08/22 – 0.10%)			
Financials – 0.12%			
3,631,956	Commercial International Bank	5,204	0.12
Total Egypt		5,204	0.12
Greece – 0.37% (31/08/22 – 0.18%)			
Basic Materials – 0.08%			
105,264	Mytilineos Holdings	3,372	0.08
Financials – 0.19%			
3,074,763	Alpha Services And Holdings	4,099	0.09
3,343,337	Eurobank Ergasias	4,590	0.10
Oil & Gas – 0.03%			
62,412	Motor Oil	1,255	0.03
Telecommunications – 0.07%			
252,828	OTE-Hellenic Telecommunications	2,988	0.07
Total Greece		16,304	0.37
Hong Kong – 1.72% (31/08/22 – 2.59%)			
Basic Materials – 0.05%			
4,225,500	Fosun International	2,088	0.05
Consumer Goods – 0.31%			
5,250,000	China Mengniu Dairy	13,922	0.31
Consumer Services – 0.05%			
767,400	China Literature	2,433	0.05
Financials – 0.31%			
7,124,000	China Jinmao Holdings Group	789	0.02
4,731,000	China Overseas Land and Investments	7,875	0.18
788,000	Far East Horizon	424	0.01
2,775,226	Longfor Group Holdings	4,614	0.10
Healthcare – 0.33%			
1,403,500	China Resources Pharmaceutical Group	740	0.02
14,546,960	CSPC Pharmaceutical	8,637	0.19
17,456,000	Sino Biopharmaceutical	5,235	0.12
Industrials – 0.20%			
8,121,110	China Everbright International	2,337	0.05
7,485,000	Citic Pacific	5,868	0.13
640,000	Sinotruk (Hong Kong)	935	0.02
Technology – 0.23%			
11,262,000	Lenovo Group	10,053	0.23
Utilities – 0.24%			
1,335,000	China Resources Gas	2,962	0.07
1,252,400	ENN Energy Holdings	7,751	0.17
Total Hong Kong		76,663	1.72

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Hungary – 0.48% (31/08/22 – 0.22%)			
Financials – 0.26%			
362,167	OTP Bank	11,674	0.26
Healthcare – 0.10%			
230,157	Richter Gedeon Nyrt	4,558	0.10
Oil & Gas – 0.12%			
857,622	MOL Hungarian Oil & Gas	5,138	0.12
Total Hungary		21,370	0.48
India – 13.01% (31/08/22 – 13.91%)			
Basic Materials – 0.49%			
398,106	Berger Paints	2,727	0.06
1,857,154	Hindalco Industries	8,141	0.18
91,570	PI Industries	3,167	0.07
89,893	Pidilite Industries	2,155	0.05
650,377	UPL	3,665	0.08
890,769	Vedanta	1,973	0.05
Consumer Goods – 1.81%			
171,273	Britannia Industries	7,294	0.16
187,965	Colgate-Palmolive	3,480	0.08
156,308	Cummins India	2,545	0.06
831,381	Dabur India	4,383	0.10
215,653	Eicher Motors	6,859	0.15
144,212	Hero MotoCorp	4,009	0.09
1,289,068	Hindustan Unilever	30,783	0.69
920,395	Marico	5,002	0.11
54,285	Nestle India	11,378	0.26
360,305	TVS Motor Company	4,877	0.11
Consumer Services – 0.22%			
1,256,961	IHCL	5,043	0.11
114,824	Info Edge	4,741	0.11
Financials – 2.33%			
247,491	AU Small Finance Bank	1,707	0.04
3,461,016	Axis Bank	32,118	0.72
407,960	Bajaj Finance	27,856	0.63
843,817	DLF	4,055	0.09
404,008	ICICI Prudential Life Insurance	2,172	0.05
1,622,688	Kotak Mahindra Bank	27,205	0.61
450,445	Shriram Transport Finance	8,280	0.19
Healthcare – 0.15%			
379,161	Lupin	3,968	0.09
157,011	Torrent Pharmaceuticals	2,758	0.06
Industrials – 1.64%			
101,570	ABB India	4,242	0.10
1,807,424	Ashok Leyland	3,168	0.07
573,380	Asian Paints	17,797	0.40
128,489	Astral	2,393	0.05
326,093	Grasim Industries	5,567	0.13
412,144	Havells India	5,440	0.12
1,470,602	Mahindra & Mahindra	22,085	0.50
13,079	Shree Cement	2,967	0.07
158,342	Siemens	5,920	0.13
75,651	Supreme Industries	3,215	0.07
Oil & Gas – 2.46%			
3,178,774	Gail India	3,485	0.08
4,613,387	Reliance Industries	105,855	2.38
Technology – 3.15%			
1,581,096	HCL Technologies	17,667	0.40
5,208,522	Infosys	71,272	1.60
1,422,412	Tata Consultancy Services	45,516	1.02
6,157,453	Zomato	5,729	0.13

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Telecommunications – 0.63%			
3,434,322	Bharti Airtel	28,037	0.63
Utilities – 0.13%			
442,677	Adani Green Energy	3,919	0.09
352,882	Indraprastha Gas	1,573	0.04
Total India		578,188	13.01
Indonesia – 2.32% (31/08/22 – 1.89%)			
Basic Materials – 0.14%			
19,209,200	Aneka Tambang	1,976	0.04
24,822,428	Merdeka Copper Gold	4,347	0.10
Consumer Goods – 0.05%			
12,169,000	Unilever Indonesia	2,314	0.05
Financials – 1.65%			
88,348,100	Bank Central Asia	41,888	0.94
109,706,300	Bank Rakyat Indonesia	31,408	0.71
Healthcare – 0.07%			
31,696,400	Kalbe Farma	2,981	0.07
Industrials – 0.05%			
40,482,542	Barito Pacific	2,245	0.05
Telecommunications – 0.36%			
9,886,400	Sarana Menara Nusantara	528	0.01
79,253,900	Telekomunikasi Indonesia	15,277	0.35
Total Indonesia		102,964	2.32
Isle of Man – 0.00% (31/08/22 – 0.08%)			
Kuwait – 0.49% (31/08/22 – 0.40%)			
Financials – 0.49%			
11,506,708	Kuwait Finance House	21,947	0.49
Total Kuwait		21,947	0.49
Luxembourg – 0.11% (31/08/22 – 0.00%)			
Technology – 0.11%			
795,916	Allegro.EU	5,032	0.11
Total Luxembourg		5,032	0.11
Malaysia – 2.21% (31/08/22 – 2.18%)			
Basic Materials – 0.15%			
1,568,600	Petronas Chemical	1,900	0.04
5,898,200	Press Metal Berhad	4,865	0.11
Consumer Goods – 0.34%			
911,400	Kuala Lumpur Kepong	3,336	0.08
266,400	Nestlé Malaysia	5,904	0.13
1,560,620	PPB Group Berhad	4,173	0.09
1,950,500	QL Resources Berhad	1,791	0.04
Consumer Services – 0.02%			
3,328,100	Mr D.I.Y. Group Berhad	872	0.02
Financials – 1.05%			
3,310,600	AMMB Holdings	2,100	0.05
10,456,759	CIMB Group	10,013	0.23
81,900	Hong Leong Credit	254	0.01
9,298,657	Malayan Banking	14,408	0.32
23,014,800	Public Bank	16,558	0.37
3,412,230	RHB Capital Berhad	3,256	0.07
Healthcare – 0.11%			
4,927,900	IHH Healthcare	4,970	0.11

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Malaysia – 2.21% (31/08/22 – 2.18%) – continued			
Industrials – 0.16%			
1,431,800	Gamuda	1,096	0.03
836,524	Malaysia Airports	1,047	0.02
2,070,300	Misc Berhad	2,521	0.06
5,890,800	Sime Darby Berhad	2,294	0.05
Oil & Gas – 0.19%			
1,474,100	Dialog Group Berhad	514	0.01
406,500	Petronas Dagangan	1,535	0.04
2,158,400	Petronas Gas	6,285	0.14
Telecommunications – 0.19%			
3,098,478	Axiata	1,244	0.03
4,354,300	CelcomDigi Berhad	3,244	0.07
2,898,600	Maxis	1,977	0.05
2,244,100	Telekom Malaysia	1,947	0.04
Total Malaysia		98,104	2.21
Mexico – 2.76% (31/08/22 – 1.70%)			
Basic Materials – 0.14%			
331,840	Industrias Peñoles	3,736	0.08
1,530,800	Orbia Advance Corporation	2,720	0.06
Consumer Goods – 0.97%			
863,400	Arca Continental	6,727	0.15
1,970,400	Bimbo 'A'	7,760	0.17
2,812,100	Fomento Economico Mexicano	25,170	0.57
253,380	Gruma 'B'	3,362	0.08
Consumer Services – 0.05%			
3,107,300	Grupo Televisa	2,212	0.05
Financials – 0.61%			
3,996,800	Grupo Financiero Banorte SAB CV	27,009	0.61
Industrials – 0.46%			
21,616,700	Cemex	13,693	0.31
310,195	Grupo Aeroportuario del Sureste 'B'	6,750	0.15
Telecommunications – 0.53%			
30,009,400	América Móvil	23,441	0.53
Total Mexico		122,580	2.76
Netherlands – 0.08% (31/08/22 – 0.00%)			
Financials – 0.08%			
767,388	NEPI Rockcastle	3,625	0.08
Total Netherlands		3,625	0.08
Philippines – 0.51% (31/08/22 – 0.65%)			
Consumer Goods – 0.12%			
5,212,523	JG Summit Holdings	2,655	0.06
1,600,860	Universal Robina	2,492	0.06
Consumer Services – 0.11%			
441,830	SM Investments	5,130	0.11
Financials – 0.16%			
17,100,900	SM Prime Holdings	6,960	0.16
Industrials – 0.10%			
518,440	Ayala	4,451	0.10
Telecommunications – 0.02%			
50,030	PLDT	802	0.02
Total Philippines		22,490	0.51

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Poland – 0.81% (31/08/22 – 0.60%)			
Basic Materials – 0.10%			
200,048	KGHM	4,369	0.10
Financials – 0.46%			
14,334	mBank	1,177	0.03
1,286,225	PKO Bank Polski	9,199	0.21
786,218	PZU	6,222	0.14
52,508	Santander Bank	3,736	0.08
Oil & Gas – 0.20%			
756,147	Polski Koncern Naftowy Orlen	9,129	0.20
Technology – 0.05%			
84,826	CD Projekt	2,396	0.05
Total Poland		36,228	0.81
Qatar – 0.72% (31/08/22 – 1.03%)			
Financials – 0.54%			
7,073,385	Qatar National Bank	23,923	0.54
Industrials – 0.10%			
5,224,034	Qatar Gas Transport	4,197	0.10
Oil & Gas – 0.08%			
1,067,514	Qatar Fuel	3,703	0.08
Total Qatar		31,823	0.72
Russia – 0.00% (31/08/22 – 0.00%)			
Basic Materials – 0.00%			
2,022,590	Novolipetsk Steel**	–	–
196,595	PJSC PhosAgro GDR**	–	–
1,266	PJSC 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**	–	–
Total Russia		–	–
Saudi Arabia – 2.22% (31/08/22 – 1.92%)			
Basic Materials – 0.69%			
1,419,151	Saudi Basic Industries	26,397	0.60
527,733	Saudi International Petrochemical	4,047	0.09
Consumer Goods – 0.06%			
349,086	Savola Group	2,769	0.06
Financials – 0.38%			
1,355,415	Alinma Bank	10,524	0.24
678,459	Bank Albilad	6,124	0.14
Healthcare – 0.17%			
150,748	Dr. Sulaiman Al-Habib Medical Group	7,708	0.17
Industrials – 0.03%			
512,884	National Industrialization	1,375	0.03
Oil & Gas – 0.78%			
133,964	International Company for Water & Power Projects	5,429	0.12
4,016,874	Saudi Arabian Oil Company	29,455	0.66

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Saudi Arabia – 2.22% (31/08/22 – 1.92%) – continued			
Utilities – 0.11%			
1,117,305	Saudi Electricity	4,866	0.11
Total Saudi Arabia		98,694	2.22
Singapore – 0.02% (31/08/22 – 0.01%)			
Consumer Services – 0.02%			
139,200	BOC Aviation	824	0.02
Total Singapore		824	0.02
South Africa – 4.94% (31/08/22 – 5.40%)			
Basic Materials – 0.71%			
97,847	Anglo American Platinum	2,695	0.06
1,392,702	Gold Fields	14,094	0.32
1,309,279	Impala Platinum	5,310	0.12
93,639	Kumba Iron Ore	1,621	0.03
525,462	Northam Platinum	2,727	0.06
4,385,977	Sibanye-Stillwater	5,254	0.12
Consumer Services – 1.55%			
530,930	Bid Corporation	9,392	0.21
492,190	Clicks Group	5,610	0.13
299,176	Naspers	40,113	0.90
836,091	Shoprite	9,194	0.21
1,473,231	Woolworths	4,555	0.10
Financials – 1.84%			
1,315,486	Absa Group	9,994	0.22
131,552	Capitec Bank	8,677	0.19
771,297	Discovery Limited	4,717	0.11
7,638,691	FirstRand	23,368	0.53
5,485,376	Growthpoint Properties	2,700	0.06
701,046	Nedbank Group	6,306	0.14
5,504,907	Old Mutual	2,912	0.07
2,293,499	Sanlam	6,488	0.15
2,048,659	Standard Bank	16,497	0.37
Healthcare – 0.10%			
611,576	Aspen Pharmacare	4,386	0.10
Industrials – 0.12%			
453,735	Bidvest Group	5,379	0.12
Oil & Gas – 0.20%			
866,857	Sasol	8,825	0.20
Telecommunications – 0.42%			
2,725,805	MTN Group	13,669	0.31
1,097,463	Vodacom Group	4,934	0.11
Total South Africa		219,417	4.94
South Korea – 6.30% (31/08/22 – 6.92%)			
Basic Materials – 0.98%			
155,602	Hanwha Solutions Corporation	3,382	0.08
15,265	Korea Zinc	4,794	0.11
29,282	Kumho Petro Chemical	2,177	0.05
74,901	LG Chemical	26,028	0.58
11,927	LG Chemical Preference	2,432	0.05
26,681	Lotte Chemical Corporation	2,176	0.05
29,585	SK IE Technology	1,593	0.04
20,596	SKC	1,123	0.02
Consumer Goods – 0.60%			
30,421	AmorePacific Corporation	2,430	0.06
18,617	BGF Retail	1,737	0.04
20,162	CJ Cheiljedang	3,599	0.08
76,537	Coway	1,972	0.04

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
161,307	Hanon Systems	877	0.02
163,345	LG Electronics	9,607	0.22
11,808	LG Household & Healthcare	3,275	0.07
21,607	N C Soft	3,245	0.07
Consumer Services – 0.09%			
280,195	Korean Airlines	3,814	0.09
Financials – 1.19%			
438,636	Hana Financial Holdings	10,345	0.23
561,434	KB Financial	18,135	0.41
173,466	Mirae Asset Securities	690	0.02
170,221	Samsung Securities	3,791	0.08
577,756	Shinhan Financial	12,263	0.28
138,294	SK Square	3,724	0.08
551,899	Woori Financial Group	3,921	0.09
Healthcare – 0.37%			
189,536	Celltrion Healthcare	7,322	0.16
39,700	SK Biopharmaceuticals	2,031	0.05
38,520	SK Bioscience	1,688	0.04
124,006	Yuhan Corporation	5,390	0.12
Industrials – 1.56%			
69,459	Doosan Bobcat	2,227	0.05
53,996	HDC Hyundai	1,905	0.04
327,018	HMM	3,253	0.07
96,550	Hyundai Engineering & Construction	2,046	0.05
22,814	Hyundai Glovis	2,350	0.05
31,425	Hyundai Mipo Dockyard	1,702	0.04
166,804	LG Corporation	8,177	0.18
46,421	POSCO Future M	12,459	0.28
213,098	Samsung Engineering	4,326	0.10
84,610	Samsung SDI	30,967	0.70
Oil & Gas – 0.32%			
518,799	Doosan Enerbility	5,644	0.13
80,525	SK Innovation	8,534	0.19
5,975	SK Innovation Corporation Rights	135	–
Technology – 1.17%			
484,887	Kakao	13,925	0.31
395,857	LG Display	3,167	0.07
198,975	Naver Corporation	25,423	0.57
22,381	Netmarble Games	573	0.01
56,478	Samsung SDS	4,788	0.11
50,583	SK Holdings	4,364	0.10
Telecommunications – 0.02%			
108,703	LG Uplus	678	0.02
Total South Korea		280,204	6.30
Taiwan – 19.27% (31/08/22 – 19.94%)			
Basic Materials – 0.55%			
19,535,000	China Steel	12,828	0.29
7,176,000	Nan Ya Plastics	11,754	0.26
Consumer Goods – 0.46%			
7,309,000	Far Eastern New Century	5,099	0.12
8,695,000	Uni-President Enterprises	15,233	0.34
Consumer Services – 0.45%			
2,751,000	China Airlines	1,541	0.03
2,481,000	EVA Airways	1,937	0.04
455,940	Hotai Motor Company	7,672	0.17
168,960	Momo.Com	2,177	0.05
1,043,000	President Chain Store	6,914	0.16
Financials – 2.62%			
14,629,890	Cathay Financial	16,532	0.37
24,996,000	CTBC Financial Holding	14,742	0.33
19,180,577	E.Sun Financial	11,621	0.26
16,701,283	First Financial	10,885	0.25

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Taiwan – 19.27% (31/08/22 – 19.94%) – continued			
Financials – 2.62% – continued			
11,800,463	Fubon Financial	18,598	0.42
12,877,999	Hua Nan Financial	6,542	0.15
16,993,368	Mega Financial	15,118	0.34
13,967,279	SinoPac	5,919	0.13
16,355,915	Taishin Financial	7,214	0.16
14,139,226	Taiwan Cooperative Financials	9,197	0.21
Industrials – 1.06%			
3,064,000	Delta Electronic Industry	26,271	0.59
1,635,525	Evergreen Marine Corporation	4,296	0.10
8,556,905	Taiwan Cement	7,411	0.17
1,833,000	Taiwan High Speed Rail Corporation	1,351	0.03
104,000	Voltronic Power Technology	3,737	0.08
1,196,895	Wan Hai Lines	1,344	0.03
2,498,000	Yang Ming Marine Transport Corporation	2,615	0.06
Technology – 13.32%			
2,557,000	Acer	2,316	0.05
9,842,000	AU Optronics	4,341	0.10
3,011,000	Lite-On Technology	10,222	0.23
2,341,000	MediaTek	40,898	0.92
37,871,000	Taiwan Semiconductor Manufacturing	515,216	11.59
16,973,000	United Microelectronics	19,137	0.43
Telecommunications – 0.81%			
6,769,000	Chunghwa Telecom	19,458	0.44
3,610,000	Far EasTone Telecommunications	6,316	0.14
4,374,000	Taiwan Mobile	10,091	0.23
Total Taiwan		856,543	19.27
Thailand – 2.69% (31/08/22 – 2.52%)			
Basic Materials – 0.10%			
2,611,000	Indorama Ventures	1,706	0.04
3,143,800	PTT Global Chemical (foreign)	2,621	0.06
Consumer Goods – 0.39%			
9,198,300	Charoen Pokphand Foods	4,291	0.10
4,811,600	Delta Electronics	11,765	0.26
2,158,700	Osotspa	1,459	0.03
Consumer Services – 0.39%			
1,313,000	Central Retail Corporation	1,221	0.03
7,578,100	CP All (foreign)	11,144	0.25
7,952,500	Home Product Center (foreign)	2,455	0.06
3,619,516	Minor International	2,447	0.05
38,669	Minor International Warrants 15/2/2024	3	–
Financials – 0.11%			
9,557,100	Asset World Corporation	939	0.02
1,064,100	Kasikornbank (foreign)	3,118	0.07
720,100	Muangthai Capital	661	0.02
Healthcare – 0.35%			
16,632,000	Bangkok Dusit Medical Services (foreign)	10,589	0.24
839,200	Bumrungrad Hospital (foreign)	4,879	0.11
Industrials – 0.65%			
5,696,700	Airports of Thailand	9,308	0.21
3,097,000	B.Grimm Power	2,356	0.05
2,750,600	Bangkok Expressway and Metro	536	0.01
2,270,000	Berli Jucker	1,714	0.04
17,987,521	BTS	2,980	0.07
1,134,252	BTS Warrants 7/11/2024	4	–
2,268,504	BTS Warrants 20/11/2026	8	–
2,764,900	SCG Packaging PCL	2,555	0.06
1,328,600	Siam Cement (foreign)	9,372	0.21
Oil & Gas – 0.35%			
3,291,200	Energy Absolute	4,691	0.10
2,190,600	PTT Exploration & Production	7,825	0.18
7,173,100	PTT Oil and Retail	3,265	0.07

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Telecommunications – 0.35%			
2,398,800	Advanced Info Service (foreign)	11,677	0.26
2,404,500	Intouch	3,929	0.09
Total Thailand		119,518	2.69
Turkey – 0.49% (31/08/22 – 0.24%)			
Consumer Goods – 0.09%			
2,631,212	Turk Sise Ve Cam Fabrikalari	3,992	0.09
Consumer Services – 0.12%			
748,082	Turk Hava Yollari	5,426	0.12
Financials – 0.28%			
1,280,366	Haci Omer Sabanci	2,267	0.05
1,022,673	KOC	4,293	0.10
4,753,358	Turkiye Is Bankasi	2,964	0.07
5,794,328	Yapi Ve Kredi Bankasi	2,726	0.06
Total Turkey		21,668	0.49
United Arab Emirates – 1.94% (31/08/22 – 2.06%)			
Financials – 1.45%			
4,700,792	Abu Dhabi Commercial Bank	8,716	0.20
2,413,955	Abu Dhabi Islamic Bank	5,404	0.12
4,865,516	Aldar Properties	5,499	0.12
10,224,505	Emaar Properties	15,443	0.35
2,740,232	Emirates NBD Bank	9,626	0.22
6,716,511	National Bank of Abu Dhabi	19,712	0.44
Telecommunications – 0.49%			
5,168,495	Emirates Telecommunications Group	22,010	0.49
Total United Arab Emirates		86,410	1.94
United States – 0.46% (31/08/22 – 0.53%)			
Consumer Services – 0.60%			
626,100	Yum! China	26,528	0.60
Futures – (0.14)%			
3,883	NYF MSCI Emerging Market September 2023	(6,081)	(0.14)
Total United States		20,447	0.46
Bonds – 0.00% (31/08/22 – 0.00%)			
India – 0.00% (31/08/22 – 0.00%)			
Corporate Bonds – 0.00%			
131,347	Britannia Industries 5.5% 3/6/2024	36	–
Total India		36	–
Total value of investments**		4,286,007	96.42
Net other assets		159,186	3.58
Total net assets		4,445,193	100.00

** Including investment liabilities

- 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 2023

Significant Purchases

	Cost £'000
Taiwan Semiconductor Manufacturing	70,398
Tencent Holdings	67,846
JD.com	47,363
Alibaba Group Holding	44,001
Industrial & Commercial Bank of China 'CNY'	37,876
América Móvil	33,777
Bank Rakyat Indonesia	32,812
Bharti Airtel	28,234
Bajaj Finance	27,830
Kuaishou Technology	19,411
Subtotal	409,548
Total cost of purchases, including the above, for the year	1,166,897

Significant Sales

	Proceeds £'000
Meituan Dianping 'B'	82,857
Housing Development Finance Corporation	63,275
América Móvil	14,310
State Bank of India	14,073
Taiwan Semiconductor Manufacturing	14,057
Chailease Holding	8,937
Reliance Strategic Investments	8,781
Tencent Holdings	8,511
Coca-Cola Femsa SAB de CV	8,087
Shanghai Commercial & Savings Bank	6,834
Subtotal	229,722
Total proceeds from sales, including the above, for the year	414,841

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital losses	2	(450,176)	(608,017)
Revenue	3	113,491	99,174
Expenses	4	(4,202)	(4,172)
Interest payable and similar charges		(8)	(7)
Net revenue before taxation		109,281	94,995
Taxation	5	(11,204)	(10,057)
Net revenue after taxation		98,077	84,938
Total deficit before distributions		(352,099)	(523,079)
Distributions	6	(98,432)	(83,377)
Change in net assets attributable to shareholders from investment activities		(450,531)	(606,456)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		4,292,088	3,976,672
Current assets:			
Debtors	7	28,100	13,896
Cash and bank balances	8	201,625	142,651
Total assets		4,521,813	4,133,219
Liabilities			
Investment liabilities		6,081	2,760
Creditors:			
Other creditors	9	58,792	38,608
Deferred tax liability	9a	11,747	14,650
Total liabilities		76,620	56,018
Net assets attributable to shareholders		4,445,193	4,077,201

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	4,077,201	4,119,294
Amounts receivable on creation of shares	788,037	614,379
Amounts payable on cancellation of shares	(79,887)	(141,661)
	708,150	472,718
Dilution adjustment charged	3,072	5,826
Change in net assets attributable to shareholders from investment activities	(450,531)	(606,456)
Retained distribution on accumulation shares	107,301	85,819
Closing net assets attributable to shareholders	4,445,193	4,077,201

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital losses

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital losses during the year comprise:		
Non-derivative securities	(437,105)	(592,785)
Derivative securities	(1,589)	(27,838)
Currency (losses)/gains	(11,482)	12,606
Net capital losses	(450,176)	(608,017)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
Overseas dividends	106,143	96,229
Interest on debt securities	(21)	26
Bank interest	5,718	622
Interest received on amounts held with brokers	229	14
Stock lending income	852	732
Stock dividends	570	1,551
Total revenue	113,491	99,174

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	4,197	4,135
Other expenses:		
Revenue collection expenses**	5	16
Tax agent charge	–	21
	5	37
Total expenses	4,202	4,172

* Audit fee £17,464 (31/08/22: £16,632) 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 2023 £'000	31 Aug 2022 £'000
Corporation tax	1,076	460
Adjustments in respect of prior years	2	–
Double tax relief	(408)	(460)
Indian capital gains tax	806	(307)
Irrecoverable overseas tax	10,546	10,281
Reclaimable tax written off	4	73
Windfall overseas tax recoveries	(825)	–
Current tax charge for the year	11,204	10,057

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	109,281	94,995
Corporation tax at 20% (31/08/22: 20%)	21,856	18,999
Effects of:		
Revenue not subject to taxation	(20,780)	(18,539)
Adjustments in respect of prior years	2	–
Indian capital gains tax taken to capital	806	(307)
Irrecoverable overseas tax	10,546	10,281
Double tax relief	(408)	(460)
Reclaimable tax written off	4	73
Greek sales tax	3	10
Windfall overseas tax recoveries	(825)	–
Current tax charge for the year	11,204	10,057

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 £11,746,733 due to Indian Capital Gains Tax (31/08/22: £14,060,523).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Final	107,301	85,819
	107,301	85,819
Add: Amounts deducted on cancellation of shares	656	2,070
Deduct: Amounts received on the creation of shares	(9,525)	(4,512)
Net distributions for the year	98,432	83,377

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	98,077	84,938
Movement in income carried forward	(2)	(1)
Stock dividend charged to capital	(570)	(1,551)
Indian capital gains tax taken to capital	806	(307)
Tax relief on stock dividends	118	288
Greek sales tax	3	10
Net distributions for the year	98,432	83,377

Details of the distribution per share are set out on page 216.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	462	394
Sales awaiting settlement	19,063	6,948
Foreign exchange sales awaiting settlement	6	–
Accrued revenue	8,317	5,811
Registration fees prepayment	2	–
Overseas withholding tax recoverable	128	120
Corporation tax receivable	97	174
Overseas tax receivable on stock dividends	25	449
Total debtors	28,100	13,896

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	192,474	133,117
Amounts held at futures clearing houses and brokers	9,151	9,534
Total cash and bank balances	201,625	142,651

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	11	14,570
Purchases awaiting settlement	58,325	23,688
Foreign exchange purchases awaiting settlement	–	3
Accrued expenses	389	347
Overseas tax payable on stock dividends	67	–
Total other creditors	58,792	38,608

9a. Deferred tax liability

	31 Aug 2023 £'000	31 Aug 2022 £'000
Deferred tax liability	11,747	14,650

10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/22	17,662	3,251,002,904
Shares issued	–	680,288,478
Shares cancelled	–	(45,162,163)
Closing shares at 31/08/23	17,662	3,886,129,219

	Class S Accumulation	Class Z Accumulation
Opening shares at 01/09/22	26,773,574	54,986,119
Shares issued	–	11,109,561
Shares cancelled	(22,781,634)	(8,459,088)
Closing shares at 31/08/23	3,991,940	57,636,592

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 (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 £62,000 (31/08/22: due to £14,523,000).

At the year end, 31 August 2023, 94.96% (31/08/22: 94.67%) 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 £852,000 (Gross: £1,065,000) (31/08/22: £183,000 (Gross: £915,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £330,404,000 (31/08/22: £184,430,000).

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

Asset class	31 Aug 2023	31 Aug 2022
	Collateral Held £'000	Collateral Held £'000
Equity	157,359	95,487
Bonds	202,154	104,569

The aggregate value of collateral held at the balance sheet date was £359,513,000 (31/08/22: £200,056,000).

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 Goldman Sachs, JP Morgan Securities, HSBC Bank, UBS, Barclays Capital Securities, Morgan Stanley & Co International, Merrill Lynch International, Citigroup Global Markets, Macquarie Bank, Natixis, BNP Paribas Arbitrage and The Bank of Nova Scotia.

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 202 to 207.

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 209. 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 2023 £'000	31 Aug 2022 £'000
Sterling	47,531	9,076
Brazilian real	174,250	160,001
Chilean peso	26,489	31,244
Chinese yuen	–	96
Columbian peso	6,113	6,710
Czech koruna	8,930	4,994
Egyptian pound	5,724	4,228
Euro	17,055	6,043
Hong Kong dollar	1,225,253	1,169,078
Hungarian forint	23,119	9,830
Indian rupee	554,582	556,999
Indonesian rupiah	101,791	77,226
Korean won	276,432	283,161
Kuwaiti dinar	22,242	16,442
Malaysian ringgit	98,175	88,724
Mexican peso	139,271	69,485
New Taiwanese dollar	864,676	832,110
Philippine peso	22,501	26,720
Polish zloty	43,145	25,438
Qatari rial	31,824	41,917
Saudi riyal	98,399	68,967
South African rand	227,787	224,376
Thai baht	119,895	103,061
Turkish lira	21,653	9,666
UAE dirham	87,450	84,539
US dollar	200,906	167,070
Total	4,445,193	4,077,201

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 £439,766,000 (31/08/22: £406,813,000). 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 £439,766,000 (31/08/22: £406,813,000). 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 £428,601,000 (31/08/22: £397,391,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £428,601,000 (31/08/22: £397,391,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £201,625,000 (31/08/22: £133,118,000) which earn interest by reference to SONIA or international equivalent. This equates to 4.54% of the current Net Asset Value and 3.26% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

16. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	1,162,946	351	0.03	720	0.06	229	0.02	1,164,246
Bond transactions	40	–	–	–	–	–	–	40
Corporate actions	2,611	–	–	–	–	–	–	2,611
Total	1,165,597	351		720		229		1,166,897

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	412,581	96	0.02	473	0.11	32	0.01	411,980
Bond transactions	(285)	–	–	–	–	–	–	(285)
Corporate actions	3,146	–	–	–	–	–	–	3,146
Total	415,442	96		473		32		414,841

The Fund had paid £59,000 as commission on purchases and sales derivative transactions for the year ended 31/08/23.

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 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
Total	1,000,278	323		530		226		1,001,357

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
Total	438,259	113		574		38		437,534

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%

At the balance sheet date the portfolio dealing spread was 0.22% (31/08/22: 0.19%).

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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	4,292,052	–	–	4,292,052
Bonds	–	36	–	36
Total	4,292,052	36	–	4,292,088
Investment liabilities				
Derivatives	(6,081)	–	–	(6,081)
Total	(6,081)	–	–	(6,081)

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	3,975,324	–	1,308	3,976,632
Bonds	–	40	–	40
Total	3,975,324	40	1,308	3,976,672
Investment liabilities				
Derivatives	(2,760)	–	–	(2,760)
Total	(2,760)	–	–	(2,760)

Current and prior year 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

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £4,381,084,234. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was (1.50)%.

There have been no significant redemptions during this period.

Distribution Table

For the year ended 31 August 2023

Distribution in pence per share

Final

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class P Accumulation				
Group 1	2.3872	–	2.3872	2.1731
Group 2	2.3872	0.0000	2.3872	2.1731
Class R Accumulation				
Group 1	2.7245	–	2.7245	2.5880
Group 2	1.3884	1.3361	2.7245	2.5880
Class S Accumulation				
Group 1	2.0637	–	2.0637	1.9620
Group 2	2.0637	0.0000	2.0637	1.9620
Class Z Accumulation				
Group 1	2.3251	–	2.3251	2.1056
Group 2	1.4105	0.9146	2.3251	2.1056

Royal London Global Equity Diversified Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London Global Equity Diversified Fund, Class M Accumulation	10.49	43.95	63.77
Royal London Global Equity Diversified Fund, Class M Income	10.48	43.95	63.65
Royal London Global Equity Diversified Fund, Class R Accumulation	10.83	45.34	66.25
MSCI World Net GBP Index	6.16	34.62	53.01
MSCI World Net GBP Index + 0.8% per annum over rolling 3 years	6.96	37.02	57.01
IA Global TR	3.02	23.28	38.35

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Performance overview

The Fund delivered positive returns for the period under review, outperforming the benchmark MSCI World Net GBP Index. Performance was driven by positive stock selection across the portfolio.

Market overview

Over the past months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Portfolio commentary

The top contributors during the period included NVIDIA, Eli Lilly and Reliance Steel. NVIDIA (Compounding) the semiconductor company provided a strong outlook for the business, selling chips for big data processing that benefits from recent breakthroughs in Artificial Intelligence. The business has a wide pay-off given the wealth creating potential and current market dominance. US listed pharmaceutical company Eli Lilly, a Compounder in the Life Cycle framework, gained on the strength of Mounjaro (used to treat diabetes), which was received very positively by the market given the focus placed on this emerging blockbuster drug and supply constraints. Management raised guidance for 2023 revenue and earnings. Reliance Steel & Aluminium the US metals distributor delivered strong results helped by macro resilience and federal government stimulus. The company also raised its dividend and is deploying excess cash into share buybacks. The management team remains open to conducting M&A when the returns are appropriate.

Despite outperformance, there were still detractors to performance over the period. Detractors during the period included Tyson Foods (Slowing & Maturing). The US food producer has been caught in a negative point in the cycle. End market pricing has been weak while input costs higher. Long term wealth creation has been strong, and the valuation remains attractive. British American Tobacco (Compounding) declined as there are increasing threats of greater regulation of next generation products such as vapes, there was also a change in leadership with the CEO stepping down and the CFO taking over. The valuation pay-off remains attractive.

Manager's Investment Report (continued)

Investment outlook

There is some uncertainty looking to the rest of 2023. Whilst there is significant geopolitical and macroeconomic risk, we remain focused on using our established investment process to generate alpha through bottom-up stock picking. With this volatile background, we believe that our approach of diversifying the strategies across broad range of companies from different sectors and stages of their Life Cycle will allow performance to continue to be driven more by the success of our hunting for superior shareholder wealth creating companies with undervalued long-term cash flows 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 Limited

31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class M Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	165.65	163.08	127.51
Return before operating charges*	18.94	3.24	36.19
Operating charges	(0.70)	(0.67)	(0.62)
Return after operating charges*	18.24	2.57	35.57
Distributions on accumulation shares	(2.56)	(2.26)	(1.79)
Retained distributions on accumulation shares	2.56	2.26	1.79
Closing net asset value per share	183.89	165.65	163.08
* after direct transaction costs of:	0.07	0.05	0.03
Performance			
Return after charges	11.01%	1.58%	27.90%
Other information			
Closing net asset value (£'000)	20,897	5,173	2,201
Closing number of shares	11,364,152	3,122,475	1,349,891
Operating charges	0.41%	0.41%	0.41%
Direct transaction costs	0.04%	0.03%	0.02%
Prices[^]			
Highest share price	184.60	175.50	163.50
Lowest share price	155.70	149.20	124.80

Class M Income

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	154.55	154.28	122.03
Return before operating charges*	17.59	3.04	34.56
Operating charges	(0.65)	(0.64)	(0.62)
Return after operating charges*	16.94	2.40	33.94
Distributions on income shares	(2.38)	(2.13)	(1.69)
Closing net asset value per share	169.11	154.55	154.28
* after direct transaction costs of:	0.06	0.05	0.03
Performance			
Return after charges	10.96%	1.56%	27.81%
Other information			
Closing net asset value (£'000)	1,073	314	298
Closing number of shares	634,505	203,266	192,924
Operating charges	0.41%	0.41%	0.41%
Direct transaction costs	0.04%	0.03%	0.02%
Prices[^]			
Highest share price	171.40	166.00	155.70
Lowest share price	145.20	140.50	119.40

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	167.69	164.57	128.27
Return before operating charges*	19.20	3.27	36.43
Operating charges	(0.16)	(0.15)	(0.13)
Return after operating charges*	19.04	3.12	36.30
Distributions on accumulation shares	(3.15)	(2.82)	(2.25)
Retained distributions on accumulation shares	3.15	2.82	2.25
Closing net asset value per share	186.73	167.69	164.57
* after direct transaction costs of:	0.07	0.05	0.03
Performance			
Return after charges	11.35%	1.90%	28.30%
Other information			
Closing net asset value (£'000)	3,743,223	3,363,321	3,314,138
Closing number of shares	2,004,601,959	2,005,737,332	2,013,861,444
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.04%	0.03%	0.02%
Prices[^]			
Highest share price	187.50	177.20	165.00
Lowest share price	157.60	150.90	125.60

Class Z Accumulation

Change in net assets per share	31/08/23** (p)
Opening net asset value per share	100.00
Return before operating charges*	9.84
Operating charges	(0.25)
Return after operating charges*	9.59
Distributions on accumulation shares	(1.38)
Retained distributions on accumulation shares	1.38
Closing net asset value per share	109.59
* after direct transaction costs of:	0.04
Performance	
Return after charges	9.59%
Other information	
Closing net asset value (£'000)	37,552
Closing number of shares	34,267,183
Operating charges	0.30%
Direct transaction costs	0.04%
Prices[^]	
Highest share price	110.00
Lowest share price	95.17

** Class Z Accumulation launched on 11 November 2022, hence there are no comparatives.

Comparative Tables (continued)

Class Z Income

	31/08/23**
Change in net assets per share	(p)
Opening net asset value per share	100.00
Return before operating charges*	9.83
Operating charges	(0.24)
Return after operating charges*	9.59
Distributions on income shares	(1.38)
Closing net asset value per share	108.21
* after direct transaction costs of:	0.04
Performance	
Return after charges	9.59%
Other information	
Closing net asset value (£'000)	3
Closing number of shares	2,500
Operating charges	0.30%
Direct transaction costs	0.04%
Prices[^]	
Highest share price	109.70
Lowest share price	95.17

** Class Z Income launched on 11 November 2022, hence there are no comparatives.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 99.55% (31/08/22 – 99.73%)			
Australia – 2.07% (31/08/22 – 2.30%)			
Basic Materials – 0.85%			
935,185	BHP Group	21,266	0.56
1,765,631	Northern Star Resources	10,703	0.28
40,512	Orica	321	0.01
Financials – 0.88%			
151,006	Commonwealth Bank of Australia	7,843	0.20
138,049	Macquarie	12,490	0.33
1,192,647	Westpac Banking	13,374	0.35
Technology – 0.34%			
531,492	Altium	12,903	0.34
Total Australia		78,900	2.07
Canada – 4.41% (31/08/22 – 4.25%)			
Consumer Services – 0.35%			
331,516	Metro	13,430	0.35
Financials – 1.54%			
462,487	Brookfield	12,355	0.33
100,899	Brookfield Asset	2,743	0.07
157,637	Intact Financial Corporation	17,438	0.46
208,970	National Bank of Canada	11,479	0.30
302,916	Toronto-Dominion Bank	14,559	0.38
Industrials – 0.45%			
274,741	Canadian Pacific Kansas City	17,147	0.45
Oil & Gas – 1.06%			
240,175	Canadian Natural Resources	12,230	0.32
812,366	MEG Energy	11,443	0.30
629,894	Suncor Energy	16,806	0.44
Technology – 1.01%			
16,358	Constellation Software	26,382	0.69
16,358	Constellation Software Rights	7	–
18,687	Constellation Software Warrants	–	–
190,196	Shopify	9,962	0.26
35,979	Topicus.com	2,145	0.06
Total Canada		168,126	4.41
Denmark – 1.60% (31/08/22 – 1.64%)			
Healthcare – 0.73%			
39,203	Genmab	11,885	0.31
107,975	Novo Nordisk 'B'	15,896	0.42
Industrials – 0.87%			
6,662	A.P. Moller-Maersk 'B'	9,593	0.25
156,616	DSV	23,479	0.62
Total Denmark		60,853	1.60
Finland – 0.77% (31/08/22 – 0.80%)			
Basic Materials – 0.52%			
731,729	UPM-Kymmene	19,918	0.52
Financials – 0.25%			
266,682	Sampo Oyj 'A'	9,278	0.25
Total Finland		29,196	0.77

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
France – 2.67% (31/08/22 – 3.18%)			
Basic Materials – 0.30%			
79,715	Air Liquide	11,393	0.30
Consumer Goods – 0.77%			
30,442	LVMH	20,395	0.54
55,735	Pernod-Ricard	8,648	0.23
Financials – 0.53%			
502,131	AXA	11,946	0.31
164,034	BNP Paribas	8,389	0.22
Industrials – 1.07%			
199,837	Legrand	15,590	0.41
198,227	Safran	25,179	0.66
Total France		101,540	2.67
Germany – 1.14% (31/08/22 – 1.47%)			
Consumer Goods – 0.44%			
286,253	Daimler	16,582	0.44
Healthcare – 0.13%			
63,941	Carl Zeiss Meditec	5,035	0.13
Technology – 0.57%			
260,170	Bechtle	10,008	0.27
211,411	Nemetschek	11,560	0.30
Total Germany		43,185	1.14
Hong Kong – 0.14% (31/08/22 – 0.18%)			
Utilities – 0.14%			
837,500	CLP Holdings	5,179	0.14
Total Hong Kong		5,179	0.14
Ireland – 0.66% (31/08/22 – 0.46%)			
Consumer Services – 0.26%			
67,907	Flutter Entertainment	9,782	0.26
Industrials – 0.40%			
331,943	CRH	15,077	0.40
Total Ireland		24,859	0.66
Italy – 0.25% (31/08/22 – 0.22%)			
Utilities – 0.25%			
3,940,606	Hera SpA	9,343	0.25
Total Italy		9,343	0.25
Japan – 7.20% (31/08/22 – 7.41%)			
Basic Materials – 0.31%			
330,600	NOF	11,776	0.31
Consumer Goods – 1.08%			
664,200	Bandai Namco Entertainment	12,166	0.32
139,500	Nifco	3,243	0.09
263,800	Sony	17,360	0.46
599,700	Toyota Motor	8,158	0.21
Consumer Services – 0.54%			
299,100	Sankyo	10,263	0.27
758,600	USS	10,455	0.27

Portfolio Statement

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Japan – 7.20% (31/08/22 – 7.41%) – continued			
Financials – 1.62%			
143,700	Daito Trust Construction	12,510	0.33
4,966	Japan Logistics	8,170	0.22
356,900	Sompo Japan Nipponkoa	12,248	0.32
790,400	Sumitomo Mitsui Financial	28,535	0.75
Healthcare – 0.50%			
817,800	Daiichi Sankyo	19,053	0.50
Industrials – 1.87%			
340,900	Ebara	13,397	0.35
753,300	Itochu	22,324	0.59
174,600	Okuma	6,461	0.17
260,100	OSG	2,590	0.07
64,800	Sankyu	1,785	0.05
697,600	Shimadzu	16,204	0.43
21,500	SMC	8,205	0.21
Technology – 0.67%			
100,600	Fujitsu	9,922	0.26
446,800	Otsuka	15,719	0.41
Telecommunications – 0.37%			
594,000	KDDI	13,884	0.37
Utilities – 0.24%			
223,430	Iwatani	9,292	0.24
Total Japan		273,720	7.20
Jersey – 0.36% (31/08/22 – 0.68%)			
Basic Materials – 0.36%			
3,249,118	Glencore	13,692	0.36
Total Jersey		13,692	0.36
Netherlands – 2.27% (31/08/22 – 0.68%)			
Consumer Goods – 0.45%			
221,690	Heineken	17,052	0.45
Consumer Services – 0.47%			
188,561	Wolters Kluwer	17,960	0.47
Financials – 0.53%			
1,795,191	ING Groep certificates	20,143	0.53
Healthcare – 0.34%			
32,864	Argenx	13,081	0.34
Technology – 0.48%			
34,671	ASML Holding	18,053	0.48
Total Netherlands		86,289	2.27
New Zealand – 0.29% (31/08/22 – 0.36%)			
Telecommunications – 0.29%			
4,695,510	Spark New Zealand	11,065	0.29
Total New Zealand		11,065	0.29
Norway – 0.31% (31/08/22 – 0.14%)			
Telecommunications – 0.31%			
1,410,540	Telenor	11,919	0.31
Total Norway		11,919	0.31

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Singapore – 0.50% (31/08/22 – 0.46%)			
Financials – 0.50%			
977,923	DBS	19,029	0.50
Total Singapore		19,029	0.50
South Korea – 0.32% (31/08/22 – 0.33%)			
Technology – 0.32%			
12,108	Samsung Electronics GDR	12,059	0.32
Total South Korea		12,059	0.32
Spain – 0.17% (31/08/22 – 0.46%)			
Financials – 0.17%			
1,246,495	Bankinter	6,314	0.17
Total Spain		6,314	0.17
Sweden – 0.63% (31/08/22 – 0.59%)			
Financials – 0.25%			
1,444,130	Svenska Handelsbanken 'A'	9,507	0.25
Industrials – 0.38%			
906,885	Volvo 'B'	14,435	0.38
Total Sweden		23,942	0.63
Switzerland – 2.65% (31/08/22 – 3.35%)			
Basic Materials – 0.41%			
70,478	Sika	15,762	0.41
Financials – 0.73%			
1,328,872	UBS (registered)	27,890	0.73
Healthcare – 1.18%			
192,758	Roche Holding	44,822	1.18
Telecommunications – 0.33%			
25,790	Swisscom	12,397	0.33
Total Switzerland		100,871	2.65
Taiwan – 0.37% (31/08/22 – 0.40%)			
Technology – 0.37%			
188,899	Taiwan Semiconductor Manufacturing ADR	13,943	0.37
Total Taiwan		13,943	0.37
United Kingdom – 4.65% (31/08/22 – 3.53%)			
Basic Materials – 0.21%			
385,894	Anglo American	8,104	0.21
Consumer Goods – 0.72%			
1,036,637	British American Tobacco	27,181	0.72
Financials – 0.76%			
297,012	Admiral	7,390	0.19
2,018,079	Aviva	7,572	0.20
33,007,901	Lloyds Banking Group	13,980	0.37
Industrials – 0.76%			
369,243	Ashtead Group	20,390	0.54
210,239	Berkeley	8,536	0.22
Oil & Gas – 2.20%			
3,467,678	Shell	83,623	2.20
Total United Kingdom		176,776	4.65

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
United States – 66.12% (31/08/22 – 66.84%)			
Basic Materials – 1.99%			
103,187	Reliance Steel & Aluminium	23,192	0.61
185,180	RPM International	14,573	0.38
315,899	Steel Dynamics	26,568	0.70
341,392	Sylvamo	11,262	0.30
Consumer Goods – 6.11%			
197,209	Church & Dwight	15,064	0.40
1,562,914	Ford Motor	14,949	0.39
533,770	General Motors	14,111	0.37
385,715	Kenvue	7,013	0.18
610,198	Kraft Heinz	15,930	0.42
197,769	McCormick	12,807	0.34
250,518	PepsiCo	35,173	0.92
290,017	Philip Morris International	21,983	0.58
150,326	Polaris Industries	13,295	0.35
305,578	Procter & Gamble	37,222	0.98
301,981	Thor Industries	24,975	0.66
467,586	Tyson Foods 'A'	19,653	0.52
Consumer Services – 8.11%			
942,628	Amazon.com	102,650	2.70
289,975	BJ's Wholesale Club	15,422	0.41
520,996	Copart	18,432	0.48
556,492	Delta Airlines	18,827	0.49
40,494	FactSet Research Systems	13,940	0.37
101,254	Home Depot	26,392	0.69
49,780	Lithia Motors	12,085	0.32
18,366	MercadoLibre	19,874	0.52
24,531	Netflix	8,394	0.22
387,858	New York Times	13,547	0.36
168,400	Ollie's Bargain Outlet	10,244	0.27
159,767	PayPal	7,879	0.21
561,518	Sprouts Farmers Market	18,071	0.47
311,298	TJX Companies	22,710	0.60
Financials – 9.59%			
175,769	Berkshire Hathaway 'B'	49,927	1.31
28,598	BlackRock	15,800	0.42
257,042	Brown & Brown	15,027	0.40
447,093	CareTrust	7,110	0.19
113,686	Chicago Mercantile Exchange	18,176	0.48
57,131	Goldman Sachs	14,766	0.39
104,578	Jones Lang LaSalle	14,248	0.37
473,144	JP Morgan Chase	54,627	1.44
47,345	Kinsale Capital Group	14,911	0.39
93,900	PNC Financial Services	8,943	0.24
90,791	Primerica	14,394	0.38
238,650	Progressive	25,137	0.66
104,672	Prologis	10,255	0.27
69,341	S&P Global	21,388	0.56
262,539	Schwab	12,253	0.32
377,203	Truist Financial	9,088	0.24
321,320	US Bancorp	9,261	0.24
253,754	Visa 'A'	49,223	1.29
Healthcare – 9.70%			
260,551	Abbvie	30,208	0.79
81,970	Alnylam Pharmaceuticals	12,791	0.34
450,866	Bristol Myers Squibb	21,936	0.58
70,758	Elevance Health	24,685	0.65
99,717	Eli Lilly	43,623	1.15
145,904	HCA Holdings	31,929	0.84
23,342	IDEXX Laboratories	9,411	0.25
70,846	Intuitive Surgical	17,482	0.46
296,482	Johnson & Johnson	37,834	0.99
127,274	Moderna	11,358	0.30
107,168	Stryker	23,979	0.63
53,879	Thermo Fisher Scientific	23,681	0.62
154,586	UnitedHealth	58,156	1.53
78,632	Vertex Pharmaceuticals	21,615	0.57

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Industrials – 5.67%			
194,476	Ametek	24,481	0.64
131,645	CoStar Group	8,517	0.22
186,735	Expeditors International	17,192	0.45
65,016	Installed Building Products	7,420	0.20
46,129	Landstar System	6,908	0.18
8,123	Mettler Toledo International	7,778	0.20
50,181	Northrop Grumman	17,154	0.45
64,325	Old Dominion Freight Line	21,693	0.57
235,294	Paccar	15,277	0.40
36,894	Roper Technologies	14,530	0.38
55,202	SAIA	18,540	0.49
227,467	Timken	13,709	0.36
46,046	TopBuild	10,540	0.28
108,625	Trex	6,117	0.16
142,573	TriNet	12,481	0.33
78,662	Union Pacific	13,692	0.36
Oil & Gas – 2.14%			
603,222	Coterra Energy	13,415	0.35
1,221,646	Kinder Morgan	16,602	0.44
263,392	Occidental Petroleum	13,045	0.34
356,251	OGE Energy	9,570	0.25
436,112	Range Resources	11,144	0.29
173,556	Valero Energy	17,781	0.47
Technology – 21.87%			
89,758	Adobe	39,614	1.04
1,095,176	Alphabet 'A'	117,681	3.09
46,413	Ansys	11,671	0.31
1,366,871	Apple	202,655	5.33
217,991	Applied Materials	26,268	0.69
8,871	Booking Holdings	21,717	0.57
128,047	CDW Corporation	21,333	0.56
516,496	Cisco Systems	23,376	0.61
181,810	Meta Platforms	42,454	1.12
202,151	Micron Technology	11,158	0.29
706,372	Microsoft	182,698	4.80
265,419	Nvidia	103,399	2.72
52,198	Snowflake	6,464	0.17
59,561	Synopsys	21,570	0.57
Telecommunications – 0.26%			
359,355	Verizon Communications	9,920	0.26
Utilities – 0.68%			
154,904	Eversource Energy	7,799	0.21
125,917	IDACORP	9,523	0.25
147,651	MGE Energy	8,432	0.22
Total United States		2,514,777	66.12
Total value of investments		3,785,577	99.55
Net other assets		17,171	0.45
Total net assets		3,802,748	100.00

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 2023

Significant Purchases

	Cost £'000
Shell	49,190
British American Tobacco	34,905
Microsoft	31,688
Bristol Myers Squibb	26,173
Roche Holding	25,682
Apple	20,215
Vertex Pharmaceuticals	20,080
UnitedHealth	19,006
Valero Energy	18,803
Heineken	18,410
Subtotal	264,152
Total cost of purchases, including the above, for the year	1,156,305

Significant Sales

	Proceeds £'000
Exxon Mobil	50,923
Nvidia	34,176
Nestlé (registered)	33,293
Novartis (registered)	22,910
Conoco Phillips	21,388
AGCO Holdings	20,467
Aflac	18,933
Eli Lilly	18,647
Apple	18,207
Steel Dynamics	17,825
Subtotal	256,769
Total proceeds from sales, including the above, for the year	1,055,118

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital gains	2	323,266	6,156
Revenue	3	74,712	69,450
Expenses	4	(3,141)	(3,046)
Interest payable and similar charges		(4)	(809)
Net revenue before taxation		71,567	65,595
Taxation	5	(8,477)	(8,152)
Net revenue after taxation		63,090	57,443
Total return before distributions		386,356	63,599
Distributions	6	(62,928)	(57,446)
Change in net assets attributable to shareholders from investment activities		323,428	6,153

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		3,785,577	3,359,622
Current assets:			
Debtors	7	33,467	48,737
Cash and bank balances	8	21,189	8,978
Total assets		3,840,233	3,417,337
Liabilities			
Creditors:			
Bank overdraft		–	108
Other creditors	9	37,475	48,418
Distribution payable		10	3
Total liabilities		37,485	48,529
Net assets attributable to shareholders		3,802,748	3,368,808

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	3,368,808	3,316,637
Amounts receivable on creation of shares	431,669	308,724
Amounts payable on cancellation of shares	(385,820)	(320,597)
	45,849	(11,873)
Dilution adjustment charged	701	554
Change in net assets attributable to shareholders from investment activities	323,428	6,153
Retained distribution on accumulation shares	63,962	57,337
Closing net assets attributable to shareholders	3,802,748	3,368,808

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital gains during the year comprise:		
Non-derivative securities	325,350	7,469
Currency losses	(2,084)	(1,313)
Net capital gains	323,266	6,156

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	6,315	6,197
Overseas dividends	66,832	62,234
Property investment income (PID)	387	389
Bank interest	502	146
Stock lending income	489	484
Stock dividends	187	–
Total revenue	74,712	69,450

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	3,140	3,045
Other expenses:		
Revenue Collection Expenses**	1	1
Total expenses	3,141	3,046

* Audit fee £16,968 (31/08/22: £16,160) 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 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	7,761	7,208
Reclaimable tax written off	716	944
Current tax charge for the year	8,477	8,152

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	71,567	65,595
Corporation tax at 20% (31/08/22: 20%)	14,313	13,119

Effects of:

Revenue not subject to taxation	(14,545)	(13,456)
Current year expenses not utilised	245	369
Indian capital gains tax	7,761	7,208
Irrecoverable overseas tax	716	944
Taxable income charge in capital	(13)	(32)
Current tax charge for the year	8,477	8,152

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £1,236,000 (31/08/22: £991,000) in relation to surplus management expenses of £4,308,000 (31/08/22: £3,079,000) and non-trading deficit of £1,873,000 (31/08/22: £1,873,000). 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Interim	23,559	21,327
Final	40,403	36,010
	63,962	57,337
Income shares		
Interim	4	1
Final	10	3
	14	4
	63,976	57,341
Add: Amounts deducted on cancellation of shares	1,431	1,729
Deduct: Amounts received on the creation of shares	(2,479)	(1,624)
Net distributions for the year	62,928	57,446

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	63,090	57,443
Movement in income carried forward	–	1
Stock dividend charged to capital	(187)	–
Tax relief on stock dividends charged to capital	25	2
Net distributions for the year	62,928	57,446

Details of the distribution per share are set out on pages 232 and 233.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	694	–
Sales awaiting settlement	25,331	42,066
Foreign exchange sales awaiting settlement	–	23
Accrued revenue	5,778	5,638
Overseas withholding tax recoverable	1,664	1,010
Total debtors	33,467	48,737

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	21,189	8,978
Total cash and bank balances	21,189	8,978

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	124	30,851
Purchases awaiting settlement	37,019	17,300
Foreign exchange purchases awaiting settlement	31	–
Accrued expenses	301	267
Total other creditors	37,475	48,418

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

10. Reconciliation of number of shares

	Class M Accumulation	Class M Income
Opening shares at 01/09/22	3,122,475	203,266
Shares issued	17,114,976	672,581
Shares cancelled	(8,873,299)	(241,342)
Closing shares at 31/08/23	11,364,152	634,505

	Class R Accumulation
Opening shares at 01/09/22	2,005,737,332
Shares issued	213,488,594
Shares cancelled	(214,623,967)
Closing shares at 31/08/23	2,004,601,959

	Class Z Accumulation*	Class Z Income*
Opening shares at 11/11/22	–	–
Shares issued	34,553,352	2,500
Shares cancelled	(286,169)	–
Closing shares at 31/08/23	34,267,183	2,500

* Class Z Income and Class Z Accumulation launched on 11 November 2022.

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 (31/08/22: 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 £272,000 (31/08/22: £31,117,000).

At the year end, 31 August 2023, 94.90% (31/08/22: 97.99%) 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.

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 £122,000 (Gross: £611,000) (31/08/22: £121,000 (Gross: £605,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £453,441,000 (31/08/22: £463,747,000).

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

Asset class	31 Aug 2023	31 Aug 2022
	Collateral Held £'000	Collateral Held £'000
Equity	333,608	251,931
Bonds	161,472	242,573

The aggregate value of collateral held at the balance sheet date was £495,080,000 (31/08/22: £494,504,000).

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, Canadian Imperial Bank of Commerce London Branch, Citigroup Global Markets, 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 2023

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 225. 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 2023 £'000	31 Aug 2022 £'000
Sterling	233,817	155,556
Australian dollar	60,129	51,079
Canadian dollar	168,339	140,005
Danish krone	58,143	36,361
Euro	276,016	245,334
Hong Kong dollar	5,301	5,956
Japanese yen	283,127	257,462
New Zealand dollar	12,128	12,103
Norwegian krone	12,002	13,217
Singaporean dollar	19,129	15,591
South African rand	1	1
Swedish krona	25,162	20,092
Swiss franc	92,723	113,796
US dollar	2,556,731	2,302,255
Total	3,802,748	3,368,808

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 £356,893,000 (31/08/22: £321,325,000). 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 £356,893,000 (31/08/22: £321,325,000). 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 £378,558,000 (31/08/22: £335,962,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £378,558,000 (31/08/22: £335,962,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £21,189,000 (31/08/22: £8,870,000) which earn interest by reference to SONIA or international equivalent. This equates to 0.56% of the current Net Asset Value and 0.26% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

16. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	1,155,287	345	0.03	364	0.03	294	0.03	1,156,290
Corporate actions	15	–	–	–	–	–	–	15
Total	1,155,302	345		364		294		1,156,305

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	1,046,184	324	0.03	2	–	8	–	1,045,850
Corporate actions	9,268	–	–	–	–	–	–	9,268
Total	1,055,452	324		2		8		1,055,118

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.01%
Other expenses	0.01%

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
Total	912,660	269		392		61		913,382

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
Total	871,901	255		23		9		871,614

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%

At the balance sheet date the portfolio dealing spread was 0.09% (31/08/22: 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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	3,785,577	–	–	3,785,577
Total	3,785,577	–	–	3,785,577

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	3,359,622	–	–	3,359,622
Total	3,359,622	–	–	3,359,622

18. Events after the balance sheet date

Class S Accumulation was launched 6 November 2023.

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £3,888,513,374. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 2.21%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class M Accumulation				
Group 1	0.8881	–	0.8881	0.7523
Group 2	0.2624	0.6257	0.8881	0.7523
Class M Income				
Group 1	0.8261	–	0.8261	0.7113
Group 2	0.4354	0.3907	0.8261	0.7113
Class R Accumulation				
Group 1	1.1623	–	1.1623	1.0256
Group 2	0.2900	0.8723	1.1623	1.0256
Class Z Accumulation*				
Group 1	0.3178	–	0.3178	n/a
Group 2	0.0065	0.3113	0.3178	n/a
Class Z Income*				
Group 1	0.3178	–	0.3178	n/a
Group 2	0.3178	0.0000	0.3178	n/a

* Class Z Accumulation and Class Z Income launched on 11 November 2022.

Distribution Tables (continued)

For the year ended 31 August 2023

Distribution in pence per share**Final**

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class M Accumulation				
Group 1	1.6762	–	1.6762	1.5111
Group 2	0.2967	1.3795	1.6762	1.5111
Class M Income				
Group 1	1.5571	–	1.5571	1.4220
Group 2	0.2863	1.2708	1.5571	1.4220
Class R Accumulation				
Group 1	1.9879	–	1.9879	1.7930
Group 2	0.7952	1.1927	1.9879	1.7930
Class Z Accumulation*				
Group 1	1.0596	–	1.0596	n/a
Group 2	0.5497	0.5099	1.0596	n/a
Class Z Income*				
Group 1	1.0600	–	1.0600	n/a
Group 2	1.0600	0.0000	1.0600	n/a

* Class Z Accumulation and Class Z Income launched on 11 November 2022.

Royal London Global Equity Select Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London Global Equity Select Fund, Class M Accumulation	16.45	71.47	97.39
Royal London Global Equity Select Fund, Class M Income	16.43	71.38	97.27
Royal London Global Equity Select Fund, Class R Accumulation	17.15	74.65	103.51
Royal London Global Equity Select Fund, Class S Accumulation	17.21	–	–
Royal London Global Equity Select Fund, Class Z Accumulation	16.54	–	–
MSCI World Net Total Return Index	6.16	34.62	53.01
MSCI World Net GBP Index +2.5% per annum over rolling 3 years	8.66	42.12	65.51
IA Global TR	3.02	23.28	38.35

Class Z Accumulation launched on 24 June 2021 and Class S Accumulation launched on 17 December 2021.

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Existing shareholders may continue to hold the shares they already own, but may not make additional purchases from 11 September 2023 onwards. Any income paid out cannot be re-invested into the Fund. There will be no change in servicing for investors. Royal London Asset Management Limited will continue to support clients in the normal way through factsheets and regular reporting.

Performance overview

The Fund delivered positive returns for the period under review, outperforming its benchmark, the MSCI World Net GBP Index. Performance was driven by positive stock selection across the portfolio.

Market overview

Over the past months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Portfolio commentary

There were a number of positive contributors to performance over the period, with Eli Lilly and Reliance Steel two notable examples. US listed pharmaceutical company Eli Lilly, a Compounder in the Life Cycle framework, gained on the strength of Mounjaro (used to treat diabetes), which was received very positively by the market given the focus placed on this emerging blockbuster drug and supply constraints. Management also raised guidance for 2023 revenue and earnings. Reliance Steel, the US steel distributor, delivered strong results helped by macro resilience and federal government stimulus. The company also raised its dividend and is deploying excess cash into share buybacks. The management team remains open to conducting M&A when the returns are appropriate.

Despite outperformance, there were still detractors to performance over the period. British American Tobacco (Compounding) declined as there are increasing threats of greater regulation of next generation products such as vapes, there was also a change in leadership with the CEO stepping down and the CFO taking over. UnitedHealth, the US health insurance provider in the Compounding stage of the Life Cycle, pulled back based on suggestions that higher costs in Medicare Advantage plans will mean lower margins for care plans. The company recently won approval for its acquisition of UK-based healthcare technology firm EMIS Group.

Manager's Investment Report (continued)

Investment outlook

There is some uncertainty looking to the rest of 2023. Whilst there is significant geopolitical and macroeconomic risk, we remain focused on using our established investment process to generate alpha through bottom-up stock picking. With this volatile background, we believe that our approach of diversifying the strategies across broad range of companies from different sectors and stages of their Life Cycle will allow performance to continue to be driven more by the success of our hunting for superior shareholder wealth creating companies with undervalued long-term cash flows 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 Limited

31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class M Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	193.15	177.13	131.54
Return before operating charges*	34.95	17.34	46.73
Operating charges	(1.44)	(1.32)	(1.14)
Return after operating charges*	33.51	16.02	45.59
Distributions on accumulation shares	(1.83)	(1.83)	(1.91)
Retained distributions on accumulation shares	1.83	1.83	1.91
Closing net asset value per share	226.66	193.15	177.13
* after direct transaction costs of:	0.17	0.25	0.07
Performance			
Return after charges	17.35%	9.04%	34.66%
Other information			
Closing net asset value (£'000)	445,607	225,674	8,660
Closing number of shares	196,601,134	116,838,035	4,888,978
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	0.08%	0.13%	0.04%
Prices[^]			
Highest share price	227.20	202.60	178.30
Lowest share price	181.90	169.20	129.30

Class M Income

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	182.86	169.30	127.16
Return before operating charges*	33.03	16.56	45.06
Operating charges	(1.37)	(1.26)	(1.08)
Return after operating charges*	31.66	15.30	43.98
Distributions on income shares	(1.73)	(1.74)	(1.84)
Closing net asset value per share	212.79	182.86	169.30
* after direct transaction costs of:	0.16	0.24	0.06
Performance			
Return after charges	17.31%	9.04%	34.59%
Other information			
Closing net asset value (£'000)	40,572	19,692	3,471
Closing number of shares	19,066,590	10,768,507	2,050,196
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	0.08%	0.13%	0.04%
Prices[^]			
Highest share price	214.40	193.10	171.50
Lowest share price	172.20	161.50	124.90

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	200.87	183.06	135.11
Return before operating charges*	36.49	17.96	48.08
Operating charges	(0.17)	(0.15)	(0.13)
Return after operating charges*	36.32	17.81	47.95
Distributions on accumulation shares	(3.24)	(3.09)	(2.96)
Retained distributions on accumulation shares	3.24	3.09	2.96
Closing net asset value per share	237.19	200.87	183.06
* after direct transaction costs of:	0.17	0.25	0.07
Performance			
Return after charges	18.08%	9.73%	35.49%
Other information			
Closing net asset value (£'000)	151,235	357,491	360,389
Closing number of shares	63,760,502	177,967,509	196,872,540
Operating charges	0.08%	0.08%	0.08%
Direct transaction costs	0.08%	0.13%	0.04%
Prices[^]			
Highest share price	237.70	210.60	184.20
Lowest share price	189.30	174.90	133.00

Class S Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22** (p)
Opening net asset value per share	104.13	100.00
Return before operating charges*	18.95	4.16
Operating charges	(0.05)	(0.03)
Return after operating charges*	18.90	4.13
Distributions on accumulation shares	–	(1.32)
Retained distributions on accumulation shares	–	1.32
Closing net asset value per share	123.03	104.13
* after direct transaction costs of:	0.08	0.13
Performance		
Return after charges	18.15%	4.13%
Other information		
Closing net asset value (£'000)	3	68,565
Closing number of shares	2,402	65,846,647
Operating charges	0.05%	0.05%
Direct transaction costs	0.08%	0.13%
Prices[^]		
Highest share price	123.20	109.10
Lowest share price	97.97	93.47

** Class S Accumulation launched on 17 December 2021.

Comparative Tables (continued)

Class Z Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21** (p)
Opening net asset value per share	116.18	106.48	100.00
Return before operating charges*	21.02	10.43	6.60
Operating charges	(0.80)	(0.73)	(0.12)
Return after operating charges*	20.22	9.70	6.48
Distributions on accumulation shares	(1.17)	(1.16)	(0.31)
Retained distributions on accumulation shares	1.17	1.16	0.31
Closing net asset value per share	136.40	116.18	106.48
* after direct transaction costs of:	0.10	0.15	0.04
Performance			
Return after charges	17.40%	9.11%	6.48%
Other information			
Closing net asset value (£'000)	249,963	78,621	5,196
Closing number of shares	183,252,393	67,669,964	4,880,573
Operating charges	0.65%	0.65%	0.65%
Direct transaction costs	0.08%	0.13%	0.04%
Prices[^]			
Highest share price	136.70	121.90	107.10
Lowest share price	109.40	101.70	100.70

** Class Z Accumulation launched on 24 June 2021.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 97.07% (31/08/22 – 99.58%)			
Oil & Gas – 6.55% (31/08/22 – 7.11%)			
Oil & Gas Producers – 6.55%			
	997,085 MEG Energy	14,046	1.59
	1,170,866 Shell	28,235	3.18
	592,213 Suncor Energy	15,800	1.78
Total Oil & Gas		58,081	6.55
Basic Materials – 9.73% (31/08/22 – 15.25%)			
Forestry & Paper – 2.21%			
	720,364 UPM-Kymmene	19,609	2.21
Industrial Metals – 7.52%			
	130,413 Reliance Steel & Aluminium	29,311	3.30
	445,224 Steel Dynamics	37,444	4.22
Total Basic Materials		86,364	9.73
Industrials – 10.28% (31/08/22 – 10.32%)			
Aerospace & Defence – 3.35%			
	233,934 Safran	29,715	3.35
Construction & Materials – 0.63%			
	463,416 Sanwa Holding	5,572	0.63
Electronic & Electrical Equipment – 2.10%			
	239,251 Legrand	18,665	2.10
Industrial Transportation – 4.20%			
	323,544 Kamigumi	5,735	0.65
	93,413 Old Dominion Freight Line	31,502	3.55
Total Industrials		91,189	10.28
Consumer Goods – 6.26% (31/08/22 – 6.05%)			
Leisure Goods – 3.84%			
	412,046 Thor Industries	34,078	3.84
Tobacco – 2.42%			
	426,831 British American Tobacco	11,192	1.26
	136,101 Philip Morris International	10,316	1.16
Total Consumer Goods		55,586	6.26
Healthcare – 15.90% (31/08/22 – 10.93%)			
Healthcare Equipment & Services – 7.95%			
	134,883 HCA Holdings	29,517	3.33
	108,962 UnitedHealth	40,992	4.62
Pharmaceuticals & Biotechnology – 7.95%			
	103,939 Eli Lilly	45,470	5.12
	108,110 Roche Holding	25,139	2.83
Total Healthcare		141,118	15.90
Consumer Services – 10.85% (31/08/22 – 11.21%)			
General Retailers – 8.41%			
	453,176 Amazon.com	49,350	5.56
	104,048 Lithia Motors	25,259	2.85
Travel & Leisure – 2.44%			
	639,882 Delta Airlines	21,648	2.44
Total Consumer Services		96,257	10.85

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Financials – 15.22% (31/08/22 – 15.01%)			
Banks – 6.31%			
	853,506 KB Financial	27,570	3.11
	787,777 Sumitomo Mitsui Financial	28,440	3.20
Financial Services – 3.77%			
	172,326 Visa 'A'	33,428	3.77
Non-Life Insurance – 5.14%			
	741,021 Admiral	18,437	2.08
	257,813 Progressive	27,156	3.06
Total Financials		135,031	15.22
Technology – 22.28% (31/08/22 – 23.70%)			
Software & Computer Services – 13.88%			
	229,050 Alphabet 'A'	24,612	2.77
	17,547 Constellation Software Rights	8	–
	17,547 Constellation Software	28,300	3.19
	17,277 Constellation Software Warrants 31/03/2040*	–	–
	65,955 Lumine	881	0.10
	253,561 Microsoft	65,582	7.39
	64,276 Topicus.com	3,832	0.43
Technology Hardware & Equipment – 8.40%			
	232,660 Apple	34,495	3.89
	52,392 Nvidia	20,410	2.30
	265,952 Taiwan Semiconductor Manufacturing ADR	19,630	2.21
Total Technology		197,750	22.28
Total value of investments		861,376	97.07
Net other assets		26,004	2.93
Total net assets		887,380	100.00

* Value less than £1,000

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 2023

Significant Purchases

	Cost £'000
Roche Holding	32,770
UnitedHealth	31,841
Microsoft	29,188
Amazon.com	28,321
Shell	24,104
Steel Dynamics	24,005
Apple	23,108
Visa 'A'	22,100
Thor Industries	21,262
Delta Airlines	20,960
Subtotal	257,659
Total cost of purchases, including the above, for the year	505,968

Significant Sales

	Proceeds £'000
Reliance Steel & Aluminium	38,422
Anglo American	36,450
Microsoft	35,327
Amazon.com	29,307
Bridgestone	28,542
Suncor Energy	26,380
Steel Dynamics	26,205
Old Dominion Freight Line	23,345
Constellation Software	22,129
HCA Holdings	19,926
Subtotal	286,033
Total proceeds from sales, including the above, for the year	519,700

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023		31 Aug 2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		127,174		41,524
Revenue	3	14,146		9,152	
Expenses	4	(3,671)		(1,108)	
Interest payable and similar charges		(4)		(3)	
Net revenue before taxation		10,471		8,041	
Taxation	5	(1,677)		(877)	
Net revenue after taxation			8,794		7,164
Total return before distributions			135,968		48,688
Distributions	6		(8,815)		(7,164)
Change in net assets attributable to shareholders from investment activities			127,153		41,524

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023		31 Aug 2022	
		£'000	£'000	£'000	£'000
Assets					
Investments			861,376		746,901
Current assets:					
Debtors	7		23,931		21,238
Cash and bank balances	8		3,721		5,019
Total assets			889,028		773,158
Liabilities					
Creditors:					
Other creditors	9		1,431		22,976
Distribution payable			217		139
Total liabilities			1,648		23,115
Net assets attributable to shareholders			887,380		750,043

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023		31 Aug 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		750,043		377,716
Amounts receivable on creation of shares	442,348		435,284	
Amounts payable on cancellation of shares	(320,942)		(113,633)	
Amounts payable on in-specie transfer*	(120,000)		–	
		1,406		321,651
Dilution adjustment charged		849		633
Change in net assets attributable to shareholders from investment activities		127,153		41,524
Retained distribution on accumulation shares		7,929		8,519
Closing net assets attributable to shareholders		887,380		750,043

* Represents the value of units cancelled by in-specie transfer of assets during the year.

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital gains during the year comprise:		
Non-derivative securities	128,554	42,119
Currency losses	(1,380)	(595)
Net capital gains	127,174	41,524

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	2,731	2,636
Overseas dividends	11,035	6,450
Bank interest	270	12
Stock lending income	110	54
Total revenue	14,146	9,152

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	3,671	1,108
Total expenses	3,671	1,108

* Audit fee £16,968 (31/08/22: £16,160) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	1,482	848
Reclaimable tax written off	195	29
Current tax charge for the year	1,677	877

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	10,471	8,041
Corporation tax at 20% (31/08/22: 20%)	2,094	1,608

Effects of:

Revenue not subject to taxation	(2,754)	(1,817)
Current year expenses not utilised	660	209
Irrecoverable overseas tax	1,482	848
Reclaimable tax written off	195	29
Current tax charge for the year	1,677	877

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £965,000 (31/08/22: £305,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Interim	2,903	2,070
Final	5,026	6,449
	7,929	8,519
Income shares		
Interim	121	18
Final	217	139
	338	157
	8,267	8,676
Add: Amounts deducted on cancellation of shares	2,092	463
Deduct: Amounts received on the creation of shares	(1,544)	(1,975)
Net distributions for the year	8,815	7,164

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	8,794	7,164
Equalisation on conversions	21	–
Net distributions for the year	8,815	7,164

Details of the distribution per share are set out on pages 246 and 247.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	22,859	1,829
Sales awaiting settlement	–	17,227
Foreign exchange sales awaiting settlement	2	–
Accrued revenue	893	2,058
Overseas withholding tax recoverable	177	124
Total debtors	23,931	21,238

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	3,721	5,019
Total cash and bank balances	3,721	5,019

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	–	18,100
Purchases awaiting settlement	1,026	4,662
Accrued expenses	405	214
Total other creditors	1,431	22,976

10. Reconciliation of number of shares

	Class M Accumulation	Class M Income
Opening shares at 01/09/22	116,838,035	10,768,507
Shares issued	134,802,765	14,747,562
Shares cancelled	(8,189,956)	(6,449,479)
Shares converted	(46,849,710)	–
In-species	–	–
Closing shares at 31/08/23	196,601,134	19,066,590

	Class R Accumulation	Class S Accumulation
Opening shares at 01/09/22	177,967,509	65,846,647
Shares issued	31,155,714	–
Shares cancelled	(91,047,415)	(65,844,245)
Shares converted	–	–
In-species	(54,315,306)	–
Closing shares at 31/08/23	63,760,502	2,402

	Class Z Accumulation
Opening shares at 01/09/22	67,669,964
Shares issued	60,187,433
Shares cancelled	(22,469,758)
Shares converted	77,864,754
In-species	–
Closing shares at 31/08/23	183,252,393

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 (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 (£22,454,092) (31/08/22: £16,484,387).

At the year end, 31 August 2023, 13.65% (31/08/22: 42.52%) 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 £27,607 (Gross: £110,428) (31/08/22: £13,373 (Gross: £53,492)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £119,147,000 (31/08/22: £82,739,000).

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

Asset class	31 Aug 2023 Collateral Held £'000	31 Aug 2022 Collateral Held £'000
Equity	85,669	60,832
Bonds	42,148	28,740

The aggregate value of collateral held at the balance sheet date was £127,817,000 (31/08/22: £89,572,000).

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, HSBC Bank, JP Morgan Securities, Merrill Lynch International, Morgan Stanley Securities, Natixis and 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 240. 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 2023 £'000	31 Aug 2022 £'000
Sterling	82,864	52,052
Canadian dollar	63,019	69,541
Euro	68,166	51,703
Japanese yen	39,749	57,999
Swiss franc	25,139	–
South Korean won	27,570	23,187
US dollar	580,873	495,561
Total	887,380	750,043

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 £80,452,000 (31/08/22: £69,799,000). 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 £80,452,000 (31/08/22: £69,799,000). 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 £86,138,000 (31/08/22: £74,690,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £86,138,000 (31/08/22: £74,690,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £3,721,000 (31/08/22: £5,019,000) which earn interest by reference to SONIA or international equivalent. This equates to 0.42% of the current Net Asset Value and 0.67% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

15. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	504,943	172	0.03	234	0.05	76	0.02	505,425
Corporate actions	543	–	–	–	–	–	–	543
Total	505,486	172		234		76		505,968

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	406,098	134	0.03	16	–	4	–	405,944
In-specie transactions	113,755	–	–	–	–	–	–	113,755
Corporate actions	1	–	–	–	–	–	–	1
Total	519,854	134		16		4		519,700

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.04%
Taxes	0.03%
Other expenses	0.01%

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
Total	541,584	201		294		84		542,163

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
Total	211,240	65		5		1		211,169

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%

At the balance sheet date the portfolio dealing spread was 0.10% (31/08/22: 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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	861,376	–	–	861,376
Total	861,376	–	–	861,376

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	746,901	–	–	746,901
Total	746,901	–	–	746,901

17. Events after the balance sheet date

From 11 September 2023 onwards the sale of shares in this Fund has been limited until further notice. Please refer to the Prospectus for further details.

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £900,529,356. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 1.48%.

There has been one significant redemption during this period.

The significant cancellation on the Fund indicated above during this period was on Z Accumulation (19.12%).

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class M Accumulation				
Group 1	0.6218	–	0.6218	0.4761
Group 2	0.2188	0.4030	0.6218	0.4761
Class M Income				
Group 1	0.5913	–	0.5913	0.4538
Group 2	0.1994	0.3919	0.5913	0.4538
Class R Accumulation				
Group 1	1.2800	–	1.2800	1.0707
Group 2	0.4675	0.8125	1.2800	1.0707
Class S Accumulation				
Group 1	n/a	–	n/a	0.2499
Group 2	n/a	n/a	n/a	0.2499
Class Z Accumulation				
Group 1	0.4097	–	0.4097	0.3172
Group 2	0.1146	0.2951	0.4097	0.3172

Distribution Tables (continued)

For the year ended 31 August 2023

Distribution in pence per share**Final**

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class M Accumulation				
Group 1	1.2085	–	1.2085	1.3557
Group 2	0.3457	0.8628	1.2085	1.3557
Class M Income				
Group 1	1.1386	–	1.1386	1.2869
Group 2	0.3589	0.7797	1.1386	1.2869
Class R Accumulation				
Group 1	1.9578	–	1.9578	2.0172
Group 2	0.8318	1.1260	1.9578	2.0172
Class S Accumulation				
Group 1	n/a	–	n/a	1.0684
Group 2	n/a	n/a	n/a	1.0684
Class Z Accumulation				
Group 1	0.7649	–	0.7649	0.8450
Group 2	0.1405	0.6244	0.7649	0.8450

Royal London Global Equity Income Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London Global Equity Income Fund, Class M Income	11.50	55.66	–
Royal London Global Equity Income Fund, Class R Income	12.21	58.79	–
Royal London Global Equity Income Fund, Class V Accumulation	–	–	–
MSCI All Countries World Net Total Return Index GBP (Inception to 20th August 23) MSCI World Net GBP Index (Since 21st August 23)	4.79	30.48	47.17
MSCI All Countries World Net Total Return Index GBP +2% p.a.	6.79	36.48	57.17
IA Global Equity Income TR	5.00	33.15	36.95

Class M Income and Class R Income launched on 25 February 2020, Class V Accumulation launched 17 February 2023, Class M Accumulation, Class Z Accumulation and Class Z Income launched on 31 March 2023

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Performance overview

The Fund delivered positive returns over the period under review, outperforming its benchmark, the MSCI All Countries World Net Total Return Index GBP.

Market overview

Over the past months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Portfolio commentary

In terms of trading, the key portfolio changes surrounded two themes. Firstly, we made the decision to sell out of our China-based holdings during the period, believing that political and geopolitical risks, combined with governance concerns over the state's involvement in all corporate affairs, meant that the risk reward ratio was no longer appealing for us as stock pickers. This meant selling out of our two holdings, Travelsky Technology and Lonking, and we were fortunate to be able to sell into significant strength as China holdings rallied strongly in December and January, on the back of an end to the zero Covid policy. We will not be investing in China domestic holdings going forwards and made the decision to amend the benchmark for the Fund, changing from MSCI ACWI to MSCI World on 20th August 2023. This does not result in material change to the way the Fund is run, as emerging markets was only 10% of the MSCI ACWI benchmark but provides a more accurate benchmark for our alpha generation to be measured against.

Another theme amongst our trading in the period, was taking advantage of the significant outperformance of cyclicals over defensives, to reduce our overweight tilt to cyclicals within the Funds. This was generally achieved by selling out of lower conviction ideas, such as Blackrock, or names where the world of higher interest rates cause notable risks to the investment case, such as Intermediate Capital and American Express. We made a conscious effort to search the market for defensive stocks that had favourable valuation pay-offs, finding that fear is generally causing investors to pay hefty valuations for defensive, long duration cashflows in sectors such as consumer staples. Overcoming this, we started new positions in US insurance companies, Progressive and Kinsale Capital, Japanese medical equipment manufacturer, Shimadzu, Johnson & Johnson consumer goods spinout, Kenvue, Phillip Morris and British American Tobacco.

Manager's Investment Report (continued)

Investment outlook

There is some uncertainty looking to the rest of 2023. Whilst there is significant geopolitical and macroeconomic risk, we remain focused on using our established investment process to generate alpha through bottom-up stock picking. With this volatile background, we believe that our approach of diversifying the strategies across broad range of companies from different sectors and stages of their Life Cycle will allow performance to continue to be driven more by the success of our hunting for superior shareholder wealth creating companies with undervalued long-term cash flows than by the prevailing winds of the macroeconomy, or factors such as growth or value styles being in vogue.

Niko de Walden
Fund Manager
Royal London Asset Management Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class M Accumulation

	31/08/23** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	5.44
Operating charges	(0.28)
Return after operating charges*	5.16
Distributions on accumulation shares	(0.94)
Retained distributions on accumulation shares	0.94
Closing net asset value per share	105.16
* after direct transaction costs of:	0.28
Performance	
Return after charges	5.16%
Other information	
Closing net asset value (£'000)	306
Closing number of shares	290,675
Operating charges	0.72%
Direct transaction costs	0.28%
Prices[^]	
Highest share price	105.70
Lowest share price	98.60

** Class M Accumulation launched on 31 March 2023, hence there are no comparatives.

Class M Income

	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Change in net assets per share			
Opening net asset value per share	131.15	128.86	99.36
Return before operating charges*	16.44	6.95	33.54
Operating charges	(1.00)	(0.94)	(0.87)
Return after operating charges*	15.44	6.01	32.67
Distributions on income shares	(4.31)	(3.72)	(3.17)
Closing net asset value per share	142.28	131.15	128.86
* after direct transaction costs of:	0.39	0.08	0.07
Performance			
Return after charges	11.77%	4.66%	32.88%
Other information			
Closing net asset value (£'000)	67,784	856	97
Closing number of shares	47,640,722	652,435	74,893
Operating charges	0.72%	0.72%	0.72%
Direct transaction costs	0.28%	0.06%	0.06%
Prices[^]			
Highest share price	147.80	136.70	130.00
Lowest share price	124.80	121.90	98.15

Class R Income

	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Change in net assets per share			
Opening net asset value per share	133.25	130.02	99.59
Return before operating charges*	16.74	7.12	33.73
Operating charges	(0.13)	(0.13)	(0.11)
Return after operating charges*	16.61	6.99	33.62
Distributions on income shares	(4.39)	(3.76)	(3.19)
Closing net asset value per share	145.47	133.25	130.02
* after direct transaction costs of:	0.40	0.08	0.07
Performance			
Return after charges	12.47%	5.38%	33.76%
Other information			
Closing net asset value (£'000)	495,201	26,755	26,106
Closing number of shares	340,421,148	20,078,387	20,078,387
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.28%	0.06%	0.06%
Prices[^]			
Highest share price	150.60	138.90	131.20
Lowest share price	126.90	123.70	98.48

Class V Accumulation

	31/08/23** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	(0.38)
Operating charges	(0.17)
Return after operating charges*	(0.55)
Distributions on accumulation shares	(2.09)
Retained distributions on accumulation shares	2.09
Closing net asset value per share	99.45
* after direct transaction costs of:	0.27
Performance	
Return after charges	(0.55)%
Other information	
Closing net asset value (£'000)	2
Closing number of shares	2,500
Operating charges	0.35%
Direct transaction costs	0.28%
Prices[^]	
Highest share price	100.00
Lowest share price	92.25

** Class V Accumulation launched on 17 February 2023, hence there are no comparatives.

Comparative Tables (continued)

Class Z Accumulation

Change in net assets per share	31/08/23** (p)
Opening net asset value per share	100.00
Return before operating charges*	5.47
Operating charges	(0.23)
Return after operating charges*	5.24
Distributions on accumulation shares	(0.94)
Retained distributions on accumulation shares	0.94
Closing net asset value per share	105.24
* after direct transaction costs of:	0.29
Performance	
Return after charges	5.24%
Other information	
Closing net asset value (£'000)	3,107
Closing number of shares	2,952,629
Operating charges	0.56%
Direct transaction costs	0.28%
Prices[^]	
Highest share price	105.80
Lowest share price	98.61

** Class Z Accumulation launched on 31 March 2023, hence there are no comparatives.

Class Z Income

Change in net assets per share	31/08/23** (p)
Opening net asset value per share	100.00
Return before operating charges*	5.44
Operating charges	(0.23)
Return after operating charges*	5.21
Distributions on income shares	(0.94)
Closing net asset value per share	104.27
* after direct transaction costs of:	0.29
Performance	
Return after charges	5.21%
Other information	
Closing net asset value (£'000)	3,104
Closing number of shares	2,976,896
Operating charges	0.56%
Direct transaction costs	0.28%
Prices[^]	
Highest share price	105.30
Lowest share price	98.62

** Class Z Income launched on 31 March 2023, hence there are no comparatives.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 98.67% (31/08/22 – 98.80%)			
Australia – 1.56% (31/08/22 – 1.05%)			
	Technology – 1.56%		
	365,695 Altium	8,878	1.56
Total Australia		8,878	1.56
Canada – 1.82% (31/08/22 – 3.02%)			
	Financials – 0.47%		
	118,793 Great-West Lifeco	2,668	0.47
	Oil & Gas – 1.35%		
	288,162 Suncor Energy	7,688	1.35
Total Canada		10,356	1.82
Cayman Islands – 0.00% (31/08/22 – 0.97%)			
Channel Islands – 2.03% (31/08/22 – 1.97%)			
	Basic Materials – 2.03%		
	2,741,578 Glencore	11,553	2.03
Total Channel Islands		11,553	2.03
Chile – 0.00% (31/08/22 – 0.53%)			
China – 0.00% (31/08/22 – 2.02%)			
Denmark – 3.06% (31/08/22 – 3.62%)			
	Industrials – 3.06%		
	12,103 A.P. Moller-Maersk 'B'	17,428	3.06
Total Denmark		17,428	3.06
Finland – 2.07% (31/08/22 – 2.17%)			
	Basic Materials – 1.12%		
	235,001 UPM-Kymmene	6,397	1.12
	Financials – 0.95%		
	154,925 Sampo Oyj 'A'	5,390	0.95
Total Finland		11,787	2.07
France – 0.76% (31/08/22 – 0.00%)			
	Financials – 0.76%		
	84,254 BNP Paribas	4,309	0.76
Total France		4,309	0.76
Germany – 0.00% (31/08/22 – 1.25%)			
India – 1.47% (31/08/22 – 0.94%)			
	Technology – 1.47%		
	612,084 Infosys ADR	8,386	1.47
Total India		8,386	1.47
Ireland – 0.80% (31/08/22 – 1.13%)			
	Industrials – 0.80%		
	17,719 Accenture	4,529	0.80
Total Ireland		4,529	0.80

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Japan – 4.72% (31/08/22 – 4.10%)			
	Consumer Goods – 0.76%		
	235,700 Bandai Namco Entertainment	4,317	0.76
	Financials – 0.52%		
	82,823 Sumitomo Mitsui Financial	2,990	0.52
	Industrials – 1.59%		
	106,900 Ebara	4,201	0.74
	208,500 Shimadzu	4,843	0.85
	Telecommunications – 1.85%		
	451,300 KDDI	10,549	1.85
Total Japan		26,900	4.72
Luxembourg – 1.18% (31/08/22 – 1.98%)			
	Basic Materials – 1.18%		
	301,272 Aperam	6,748	1.18
	301,272 Aperam Rights*	–	–
Total Luxembourg		6,748	1.18
Netherlands – 1.62% (31/08/22 – 0.00%)			
	Consumer Services – 1.62%		
	97,029 Wolters Kluwer	9,242	1.62
	97,029 Wolters Kluwer Rights*	–	–
Total Netherlands		9,242	1.62
New Zealand – 0.66% (31/08/22 – 0.83%)			
	Telecommunications – 0.66%		
	1,597,110 Spark New Zealand	3,764	0.66
Total New Zealand		3,764	0.66
Singapore – 0.37% (31/08/22 – 0.50%)			
	Financials – 0.37%		
	108,243 DBS	2,106	0.37
Total Singapore		2,106	0.37
South Korea – 2.48% (31/08/22 – 3.37%)			
	Financials – 1.04%		
	183,704 KB Financial	5,934	1.04
	Technology – 1.44%		
	8,225 Samsung Electronics GDR	8,191	1.44
Total South Korea		14,125	2.48
Switzerland – 4.29% (31/08/22 – 3.92%)			
	Consumer Goods – 1.38%		
	82,855 Nestlé (registered)	7,877	1.38
	Healthcare – 2.91%		
	83,407 Novartis (registered)	6,655	1.17
	42,495 Roche Holding	9,881	1.74
Total Switzerland		24,413	4.29

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Taiwan – 1.94% (31/08/22 – 2.68%)			
Technology – 1.94%			
149,314	Taiwan Semiconductor Manufacturing ADR	11,021	1.94
Total Taiwan		11,021	1.94
United Kingdom – 12.79% (31/08/22 – 13.80%)			
Consumer Goods – 2.97%			
319,390	British American Tobacco	8,374	1.47
478,597	Imperial Brands	8,564	1.50
Consumer Services – 1.59%			
4,523,860	Ascential	9,075	1.59
Financials – 2.68%			
766,414	3i Group	15,278	2.68
Industrials – 2.47%			
254,881	Ashtead Group	14,074	2.47
Oil & Gas – 3.08%			
726,565	Shell	17,521	3.08
Total United Kingdom		72,886	12.79
United States – 55.05% (31/08/22 – 48.95%)			
Basic Materials – 7.60%			
42,382	Reliance Steel & Aluminium	9,526	1.67
264,432	Steel Dynamics	22,239	3.90
350,000	Sylvamo	11,546	2.03
Consumer Goods – 4.31%			
254,446	Kenvue Inc	4,626	0.81
119,427	Kraft Heinz	3,118	0.55
107,995	Philip Morris International	8,186	1.44
104,113	Thor Industries	8,611	1.51
Consumer Services – 1.59%			
83,176	Amazon.com	9,058	1.59
Financials – 7.50%			
17,807	Chicago Mercantile Exchange	2,847	0.50
70,085	JP Morgan Chase	8,092	1.42
19,000	Kinsale Capital Group	5,984	1.05
109,717	Progressive	11,557	2.03
136,811	Truist Financial	3,296	0.58
66,438	US Bancorp	1,915	0.34
46,415	Visa 'A'	9,003	1.58
Healthcare – 15.68%			
128,532	Abbvie	14,902	2.62
35,911	Eli Lilly	15,710	2.76
334,996	Gilead Sciences	20,219	3.55
61,158	HCA Healthcare	13,384	2.35
63,541	Johnson & Johnson	8,108	1.42
45,105	UnitedHealth	16,969	2.98
Industrials – 3.21%			
16,215	Old Dominion Freight Line	5,468	0.96
142,206	Paccar	9,233	1.62
12,418	Watsco	3,571	0.63
Oil & Gas – 1.15%			
295,403	Coterra Energy	6,569	1.15

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Technology – 14.01%			
63,392	Apple	9,399	1.65
134,797	Applied Materials	16,243	2.85
429,907	Cisco Systems	19,457	3.42
86,888	Cognizant Technology Solutions	4,910	0.86
115,082	Microsoft	29,765	5.23
Total United States		313,511	55.05
Total value of investments		561,942	98.67
Net other assets		7,562	1.33
Total net assets		569,504	100.00

* 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 2023

Significant Purchases

	Cost £'000
Microsoft	26,305
Steel Dynamics	24,063
Gilead Sciences	19,895
A.P. Moller-Maersk 'B'	19,432
Shell	16,818
UnitedHealth	16,621
Cisco Systems	16,321
Abbvie	14,780
3i Group	14,388
Applied Materials	14,266
Subtotal	182,889
Total cost of purchases, including the above, for the year	574,964

Significant Sales

	Proceeds £'000
Admiral	5,275
Sika	4,918
PulteGroup	4,647
Anglo American	3,956
Novartis (registered)	3,437
Adidas	2,891
Steel Dynamics	2,836
Cognizant Technology Solutions	2,711
Intermediate Capital Group	2,295
American Express	2,228
Subtotal	35,194
Total proceeds from sales, including the above, for the year	55,091

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023		31 Aug 2022	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		15,083		678
Revenue	3	6,675		863	
Expenses	4	(314)		(27)	
Interest payable and similar charges		(2)		(1)	
Net revenue before taxation		6,359		835	
Taxation	5	(828)		(98)	
Net revenue after taxation			5,531		737
Total return before distributions			20,614		1,415
Distributions	6		(5,822)		(762)
Change in net assets attributable to shareholders from investment activities			14,792		653

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023		31 Aug 2022	
		£'000	£'000	£'000	£'000
Assets					
Investments			561,942		27,280
Current assets:					
Debtors	7		10,103		205
Cash and bank balances	8		7,146		687
Total assets			579,191		28,172
Liabilities					
Creditors:					
Other creditors	9		7,031		397
Distribution payable			2,656		164
Total liabilities			9,687		561
Net assets attributable to shareholders			569,504		27,611

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023		31 Aug 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		27,611		26,203
Amounts receivable on creation of shares	362,024		870	
Amounts receivable on in-specie transfer of shares	167,523		–	
Amounts payable on cancellation of shares	(2,908)		(117)	
		526,639		753
Dilution adjustment charged		433		2
Change in net assets attributable to shareholders from investment activities		14,792		653
Retained distribution on accumulation shares		29		–
Closing net assets attributable to shareholders		569,504		27,611

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital gains during the year comprise:		
Non-derivative securities	14,836	656
Currency gains	518	22
Forward currency contracts	(271)	–
Net capital gains	15,083	678

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	997	159
Overseas dividends	5,568	702
Bank interest	106	1
Stock lending income	4	1
Total revenue	6,675	863

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	312	25
Other expenses:		
Revenue collection expenses**	2	2
Total expenses	314	27

* Audit fee £14,008 (31/08/22: £13,340) 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 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	745	89
Reclaimable tax written off	83	9
Current tax charge for the year	828	98

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	6,359	835
Corporation tax at 20% (31/08/22: 20%)	1,272	167

Effects of:

Revenue not subject to taxation	(1,313)	(172)
Current year expenses not utilised	41	5
Irrecoverable overseas tax	745	89
Reclaimable tax written off	83	9
Current tax charge for the year	828	98

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £52,000 (31/08/22: £11,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Third Interim	13	–
Final	16	–
	29	–
Income shares		
First Interim	141	129
Second Interim	755	114
Third Interim	3,942	358
Final	2,656	164
	7,494	765
	7,523	765
Add: Amounts deducted on cancellation of shares	13	–
Deduct: Amounts received on the creation of shares	(1,714)	(3)
Net distributions for the year	5,822	762

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	5,531	737
Expenses charged to capital	312	25
Taxable income charge in capital	(20)	–
Net distributions for the year	5,823	762

Details of the distribution per share are set out on pages 262 to 264.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	269	40
Sales awaiting settlement	8,345	66
Accrued revenue	1,178	75
Overseas withholding tax recoverable	311	24
Total debtors	10,103	205

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	7,146	687

	31 Aug 2023 £'000	31 Aug 2022 £'000
Total cash and bank balances	7,146	687

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	25	–
Purchases awaiting settlement	6,906	376
Accrued expenses	100	21
Total other creditors	7,031	397

10. Reconciliation of number of shares

	Class M Accumulation*	Class M Income
Opening shares at 01/09/22	–	652,435
Shares issued	290,675	48,944,498
Shares cancelled	–	(1,965,004)
Shares converted	–	8,793
Closing shares at 31/08/23	290,675	47,640,722

	Class R Income	Class V Accumulation*
Opening shares at 01/09/22	20,078,387	–
Shares issued	320,342,761	2,500
Shares cancelled	–	–
Shares converted	–	–
Closing shares at 31/08/23	340,421,148	2,500

	Class Z Accumulation*	Class Z Income*
Opening shares at 31/03/23	–	–
Shares issued	3,042,583	3,058,430
Shares cancelled	(89,954)	(69,534)
Shares converted	–	(12,000)
Closing shares at 31/08/23	2,952,629	2,976,896

* Class V Accumulation launched on 17 February 2023 and Classes M Accumulation, Z Accumulation and Z Income launched on 31 March 2023.

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 (31/08/22: same).

12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 £163,000 (31/08/22: £38,000).

At the year end, 31 August 2023, 86.34% (31/08/22: 96.85%) 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 £1,000 (Gross: £5,000) (31/08/22: £nil (Gross: £1,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £19,455,000 (31/08/22: £478,000).

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

Asset class	31 Aug 2023 Collateral Held £'000	31 Aug 2022 Collateral Held £'000
Equity	12,188	382
Bonds	8,540	231

The aggregate value of collateral held at the balance sheet date was £20,728,000 (31/08/22: £613,000).

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 255. 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 2023 £'000	31 Aug 2022 £'000
Sterling	88,912	4,507
Australian dollar	7,197	295
Canadian dollar	10,488	757
Chinese yuen	–	2
Danish krone	17,751	1,014
Euro	32,363	1,520
Hong Kong dollar	3	834
Japanese yen	27,126	1,141
New Zealand dollar	3,771	236
Norwegian krone	2	3
Singaporean dollar	2,181	144
South Korean won	5,934	–
Swedish krona	2	2
Swiss franc	27,015	1,089
US dollar	346,759	16,067
Total	569,504	27,611

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 £48,059,000 (31/08/22: £2,310,000). 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 £48,059,000 (31/08/22: £2,310,000). 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 £56,194,000 (31/08/22: £2,728,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £56,194,000 (31/08/22: £2,728,000). These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

14. Risk disclosures – continued

The only interest bearing assets are cash balances of £7,146,000 (31/08/22: £687,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.25% of the current Net Asset Value and 2.49% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

15. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	409,778	184	0.04	276	0.07	24	0.01	410,262
In-specie transactions	164,702	–	–	–	–	–	–	164,702
Total	574,480	184		276		24		574,964

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	55,110	18	0.03	1	–	–	–	55,091
Total	55,110	18		1		–		55,091

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.11%
Taxes	0.16%
Other expenses	0.01%

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
Total	8,965	4		7		1		8,977

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
Total	8,374	4		1		–		8,369

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%

At the balance sheet date the portfolio dealing spread was 0.09% (31/08/22: 0.10%).

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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	561,942	–	–	561,942
Total	561,942	–	–	561,942

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	27,280	–	–	27,280
Total	27,280	–	–	27,280

17. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £594,499,151. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 3.59%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

First Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 30 November 2022

	Net income	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
Class M Income				
Group 1	0.6522	–	0.6522	0.6421
Group 2	0.1552	0.4970	0.6522	0.6421
Class R Income				
Group 1	0.6637	–	0.6637	0.6396
Group 2	0.6637	0.0000	0.6637	0.6396

Second Interim

Group 1: Shares purchased prior to 1 December 2022

Group 2: Shares purchased between 1 December 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class M Income				
Group 1	0.6830	–	0.6830	0.5592
Group 2	0.1552	0.5278	0.6830	0.5592
Class R Income				
Group 1	0.6958	–	0.6958	0.5654
Group 2	0.0422	0.6536	0.6958	0.5654
Class V Accumulation*				
Group 1	0.0457	–	0.0457	n/a
Group 2	0.0457	0.0000	0.0457	n/a

* Class V Accumulation launched on 17 February 2023.

Distribution Tables (continued)

For the year ended 31 August 2023

Distribution in pence per share**Third Interim**

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 May 2023

	Net income	Equalisation	Distribution paid 31/07/23	Distribution paid 31/07/22
Class M Accumulation**				
Group 1	0.4532	–	0.4532	n/a
Group 2	0.4532	0.0000	0.4532	n/a
Class M Income				
Group 1	2.3064	–	2.3064	1.7461
Group 2	0.8121	1.4943	2.3064	1.7461
Class R Income				
Group 1	2.3522	–	2.3522	1.7687
Group 2	2.0534	0.2988	2.3522	1.7687
Class V Accumulation*				
Group 1	1.5756	–	1.5756	n/a
Group 2	1.5756	0.0000	1.5756	n/a
Class Z Accumulation**				
Group 1	0.4532	–	0.4532	n/a
Group 2	0.2160	0.2372	0.4532	n/a
Class Z Income**				
Group 1	0.4533	–	0.4533	n/a
Group 2	0.3001	0.1532	0.4533	n/a

* Class V Accumulation launched on 17 February 2023.

** Class M Accumulation, Class Z Accumulation and Class Z Income launched on 31 March 2023.

Distribution Tables (continued)

For the year ended 31 August 2023

Distribution in pence per share**Final**

Group 1: Shares purchased prior to 1 June 2023

Group 2: Shares purchased between 1 June 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class M Accumulation**				
Group 1	0.4915	–	0.4915	n/a
Group 2	0.1032	0.3883	0.4915	n/a
Class M Income				
Group 1	0.6680	–	0.6680	0.7772
Group 2	0.3985	0.2695	0.6680	0.7772
Class R Income				
Group 1	0.6824	–	0.6824	0.7900
Group 2	0.3706	0.3118	0.6824	0.7900
Class V Accumulation*				
Group 1	0.4644	–	0.4644	n/a
Group 2	0.4644	0.0000	0.4644	n/a
Class Z Accumulation**				
Group 1	0.4917	–	0.4917	n/a
Group 2	0.3089	0.1828	0.4917	n/a
Class Z Income**				
Group 1	0.4894	–	0.4894	n/a
Group 2	0.2311	0.2583	0.4894	n/a

* Class V Accumulation launched on 17 February 2023.

** Class M Accumulation, Class Z Accumulation and Class Z Income launched on 31 March 2023.

Royal London Global Sustainable Equity Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London Global Sustainable Equity Fund, Class M Accumulation	10.46	27.23	–
Royal London Global Sustainable Equity Fund, Class R Accumulation	11.10	29.64	–
Royal London Global Sustainable Equity Fund, Class S Accumulation	11.20	–	–
MSCI All Countries World Index (ACWI)	4.64	30.29	46.96
MSCI All Countries World Net Total Return Index GBP +2.5% per annum over rolling 3 years	7.14	37.79	59.46
IA Global TR	3.02	23.28	38.35

Class M Accumulation and Class R Accumulation launched on 25 February 2020, Class S Accumulation launched on 19 July 2021 and Class Z Accumulation and Class Z Income launched on 6 April 2023.

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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Performance overview

The Fund delivered positive returns over the period under review, outperforming its benchmark, the MSCI All Countries World Net Total Return Index GBP.

Market overview

Over the past 12 months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Portfolio commentary

The top contributors to performance were Schneider Electric, MercadoLibre and Novo Nordisk. Schneider Electric provides electrification and factory automation solutions to customers around the world and saw strong demand as its customers become more sustainable and efficient. It is also benefitting from government programs such as the US Inflation Reduction Act and the EU Green Deal. Latin American ecommerce and payments platform MercadoLibre gained following an acceleration in growth following the pandemic. Novo Nordisk rose as a result of positive news flow surrounding its new drugs which are focused on the obesity market, which could be one of the largest new medicine markets ever. Asian life insurance company AIA was the key detractor as economic growth in China has not recovered as expected following the easing of Covid-19 restrictions.

Investment outlook

There is considerable uncertainty about the economic outlook for the remainder of 2023. In the US, the Federal Reserve has continued to raise interest rates in response to high inflation and many investors fear that this could tip the US into recession, although economic indicators remain broadly positive at this stage. The picture is potentially more problematic in the UK where inflation is higher and growth weaker. Europe is somewhere in the middle of these two outcomes. How inflation progresses from here, and how central banks respond, will be a key determinant of near-term returns.

Manager's Investment Report (continued)

Investment outlook – continued

In the long term, we believe that the trend towards sustainability remains a strong one, with all companies we meet with pointing to an acceleration both in recent years and since the start of the Ukraine war. Whilst this may seem counterintuitive given the strong performance of oil, energy security – as well as increased concerns about climate change – are resulting in an acceleration in the demand for renewable energy. Although innovation may be becoming more incremental in the consumer arena, recent developments in AI could reignite interest in technology. Within healthcare innovation is accelerating as a greater understanding of the immune system as well as genetics, is resulting in a step change in cancer treatments, amongst other areas. The physical economy is also seeing a renaissance after many years of being overshadowed by the digital world. Electrification is a core part of path to a lower carbon economy and will require a significant investment in infrastructure over many years. These trends make us optimistic about the long-term outlook for sustainable investing.

George Crowdy
Fund Co-Manager
Royal London Asset Management Limited
31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class M Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	134.39	151.23	117.19
Return before operating charges*	15.91	(15.83)	34.99
Operating charges	(1.00)	(1.01)	(0.95)
Return after operating charges*	14.91	(16.84)	34.04
Distributions on accumulation shares	(0.81)	(0.31)	(0.12)
Retained distributions on accumulation shares	0.81	0.31	0.12
Closing net asset value per share	149.30	134.39	151.23
* after direct transaction costs of:	0.10	0.13	0.11
Performance			
Return after charges	11.09%	(11.14)%	29.05%
Other information			
Closing net asset value (£'000)	55,889	46,308	35,714
Closing number of shares	37,434,338	34,457,801	23,616,613
Operating charges	0.72%	0.72%	0.72%
Direct transaction costs	0.07%	0.10%	0.09%
Prices^A			
Highest share price	150.60	160.00	151.80
Lowest share price	124.30	119.30	116.80

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21 (p)
Opening net asset value per share	136.35	152.50	117.47
Return before operating charges*	16.23	(15.99)	35.18
Operating charges	(0.16)	(0.16)	(0.15)
Return after operating charges*	16.07	(16.15)	35.03
Distributions on accumulation shares	(1.68)	(1.15)	(0.86)
Retained distributions on accumulation shares	1.68	1.15	0.86
Closing net asset value per share	152.42	136.35	152.50
* after direct transaction costs of:	0.10	0.13	0.11
Performance			
Return after charges	11.79%	(10.59)%	29.82%
Other information			
Closing net asset value (£'000)	137,922	157,143	129,431
Closing number of shares	90,490,643	115,247,484	84,874,798
Operating charges	0.11%	0.11%	0.11%
Direct transaction costs	0.07%	0.09%	0.09%
Prices^A			
Highest share price	153.70	161.60	153.10
Lowest share price	126.20	120.90	117.10

Class S Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22 (p)	31/08/21** (p)
Opening net asset value per share	95.42	106.72	100.00
Return before operating charges*	11.35	(11.19)	6.74
Operating charges	(0.11)	(0.11)	(0.02)
Return after operating charges*	11.24	(11.30)	6.72
Distributions on accumulation shares	(1.18)	(0.80)	(0.08)
Retained distributions on accumulation shares	1.18	0.80	0.08
Closing net asset value per share	106.66	95.42	106.72
* after direct transaction costs of:	0.07	0.09	0.09
Performance			
Return after charges	11.78%	(10.59)%	6.72%
Other information			
Closing net asset value (£'000)	62,608	57,517	3
Closing number of shares	58,701,530	60,277,602	2,500
Operating charges	0.11%	0.11%	0.11%
Direct transaction costs	0.07%	0.09%	0.09%
Prices^A			
Highest share price	107.60	113.10	107.10
Lowest share price	88.32	84.61	99.73

** Class S Accumulation launched on 19 July 2021.

Class Z Accumulation

Change in net assets per share	31/08/23** (p)
Opening net asset value per share	100.00
Return before operating charges*	7.55
Operating charges	(0.23)
Return after operating charges*	7.32
Distributions on accumulation shares	(0.49)
Retained distributions on accumulation shares	0.49
Closing net asset value per share	107.32
* after direct transaction costs of:	0.08
Performance	
Return after charges	7.32%
Other information	
Closing net asset value (£'000)	3
Closing number of shares	2,500
Operating charges	0.57%
Direct transaction costs	0.07%
Prices^A	
Highest share price	108.30
Lowest share price	99.88

** Class Z Accumulation launched on 6 April 2023, hence there are no comparatives.

Comparative Tables (continued)

Class Z Income

	31/08/23** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	7.54
Operating charges	(0.23)
Return after operating charges*	7.31
Distributions on income shares	(0.49)
Closing net asset value per share	106.82
* after direct transaction costs of:	0.08
Performance	
Return after charges	7.31%
Other information	
Closing net asset value (£'000)	3
Closing number of shares	2,500
Operating charges	0.57%
Direct transaction costs	0.07%
Prices[^]	
Highest share price	108.30
Lowest share price	99.88

** Class Z Income launched on 6 April 2023, hence there are no comparatives.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 97.92% (31/08/22 – 98.90%)			
Canada – 1.90% (31/08/22 – 0.00%)			
Industrials – 1.90%			
	55,102 Canadian National Railway	4,887	1.90
Total Canada		4,887	1.90
Channel Islands – 2.51% (31/08/22 – 2.97%)			
Consumer Services – 2.51%			
	50,400 Ferguson	6,429	2.51
Total Channel Islands		6,429	2.51
Denmark – 2.18% (31/08/22 – 1.96%)			
Healthcare – 2.18%			
	37,906 Novo Nordisk 'B'	5,580	2.18
Total Denmark		5,580	2.18
France – 5.10% (31/08/22 – 4.75%)			
Consumer Goods – 1.90%			
	14,020 L'Oreal	4,873	1.90
Industrials – 3.20%			
	60,500 Schneider Electric	8,217	3.20
Total France		13,090	5.10
Germany – 0.00% (31/08/22 – 1.57%)			
Hong Kong – 2.69% (31/08/22 – 3.34%)			
Financials – 2.69%			
	963,800 AIA	6,901	2.69
Total Hong Kong		6,901	2.69
India – 2.84% (31/08/22 – 2.42%)			
Financials – 2.84%			
	148,341 HDFC Bank ADR	7,294	2.84
Total India		7,294	2.84
Indonesia – 1.03% (31/08/22 – 0.00%)			
Financials – 1.03%			
	9,205,200 Bank Rakyat Indonesia	2,635	1.03
Total Indonesia		2,635	1.03
Ireland – 4.99% (31/08/22 – 2.46%)			
Healthcare – 2.43%			
	34,401 Steris	6,231	2.43
Industrials – 2.56%			
	40,500 Trane Technologies	6,560	2.56
Total Ireland		12,791	4.99

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Japan – 1.87% (31/08/22 – 0.00%)			
Consumer Goods – 1.87%			
	41,300 Shimano	4,790	1.87
Total Japan		4,790	1.87
Netherlands – 4.06% (31/08/22 – 2.71%)			
Basic Materials – 1.66%			
	39,082 IMCD Group	4,255	1.66
Technology – 2.40%			
	11,827 ASML Holding	6,158	2.40
Total Netherlands		10,413	4.06
Switzerland – 3.61% (31/08/22 – 5.31%)			
Basic Materials – 1.31%			
	14,990 Sika	3,352	1.31
Industrials – 2.30%			
	56,450 TE Connectivity	5,897	2.30
Total Switzerland		9,249	3.61
Taiwan – 2.62% (31/08/22 – 3.46%)			
Technology – 2.62%			
	90,930 Taiwan Semiconductor Manufacturing ADR	6,712	2.62
Total Taiwan		6,712	2.62
United Kingdom – 17.95% (31/08/22 – 15.73%)			
Consumer Goods – 2.15%			
	136,460 Unilever	5,516	2.15
Consumer Services – 2.23%			
	286,510 Compass Group	5,710	2.23
Financials – 5.34%			
	79,190 London Stock Exchange	6,473	2.52
	1,014,535 Standard Chartered	7,219	2.82
Healthcare – 3.12%			
	75,007 AstraZeneca	7,996	3.12
Industrials – 2.44%			
	1,041,490 Rentokil Initial	6,255	2.44
Utilities – 2.67%			
	421,697 SSE	6,859	2.67
Total United Kingdom		46,028	17.95

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
United States – 44.57% (31/08/22 – 52.22%)			
Consumer Services – 4.43%			
48,180	Amazon.com	5,247	2.05
5,630	MercadoLibre	6,092	2.38
Financials – 4.42%			
35,750	Prologis	3,503	1.37
40,300	Visa 'A'	7,817	3.05
Healthcare – 6.27%			
11,070	Intuitive Surgical	2,732	1.07
25,730	IQVIA Holding	4,517	1.76
20,131	Thermo Fisher Scientific	8,848	3.44
Industrials – 10.91%			
26,000	AGCO Corporation	2,657	1.04
23,350	Agilent Technologies	2,230	0.87
23,543	Comfort Systems USA	3,428	1.34
31,949	Nordson Corporation	6,156	2.40
24,620	TopBuild	5,635	2.20
88,450	Wabtec Corporation	7,852	3.06
Technology – 18.54%			
16,670	Adobe	7,357	2.87
58,250	Alphabet 'A'	6,259	2.44
31,940	Autodesk	5,591	2.18
12,730	Intuit	5,442	2.12
40,090	Microsoft	10,369	4.04
11,480	Nvidia	4,472	1.74
60,980	Texas Instruments	8,086	3.15
Total United States		114,290	44.57
Total value of investments		251,089	97.92
Net other assets		5,336	2.08
Total net assets		256,425	100.00

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 2023

Significant Purchases

	Cost £'000
Standard Chartered	7,397
Unilever	6,880
Canadian National Railway	6,410
Steris	6,040
Shimano	5,033
IMCD Group	4,912
Compass Group	3,305
HDFC Bank ADR	3,290
Comfort Systems USA	2,653
AGCO Corporation	2,489
Subtotal	48,409
Total cost of purchases, including the above, for the year	70,283

Significant Sales

	Proceeds £'000
CSX	6,695
Croda International	5,679
Stryker	5,282
Adidas	4,593
Ball Corporation	4,021
AstraZeneca	3,435
Microsoft	3,352
Lonza	3,340
Aptiv	3,327
Nvidia	3,238
Subtotal	42,962
Total proceeds from sales, including the above, for the year	102,515

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Income			
Net capital gains/ (losses)	2	25,081	(28,959)
Revenue	3	3,569	2,598
Expenses	4	(561)	(525)
Interest payable and similar charges		–	(9)
Net revenue before taxation		3,008	2,064
Taxation	5	(233)	(228)
Net revenue after taxation		2,775	1,836
Total return/(deficit) before distributions		27,856	(27,123)
Distributions	6	(2,493)	(1,836)
Change in net assets attributable to shareholders from investment activities		25,363	(28,959)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022 £'000
Assets			
Investments		251,089	258,092
Current assets:			
Debtors	7	1,388	2,226
Cash and bank balances	8	4,194	2,639
Total assets		256,671	262,957
Liabilities			
Creditors:			
Other creditors	9	246	1,989
Total liabilities		246	1,989
Net assets attributable to shareholders		256,425	260,968

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022 £'000
Opening net assets attributable to shareholders	260,968	165,148
Amounts receivable on creation of shares	48,374	151,422
Amounts payable on cancellation of shares	(80,846)	(28,744)
	(32,472)	122,678
Dilution adjustment charged	118	199
Change in net assets attributable to shareholders from investment activities	25,363	(28,959)
Retained distribution on accumulation shares	2,448	1,902
Closing net assets attributable to shareholders	256,425	260,968

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains/(losses)

	31 Aug 2023 £'000	31 Aug 2022 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	24,948	(29,275)
Currency gains	133	316
Net capital gains/(losses)	25,081	(28,959)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022 £'000
UK dividends	912	572
Overseas dividends	2,195	2,004
Bank interest	163	9
Stock lending income	17	13
Stock dividends	282	–
Total revenue	3,569	2,598

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	558	525
Other expenses:		
Revenue collection expenses**	3	–
Total expenses	561	525

* Audit fee £14,008 (31/08/22: £13,340) 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 2023 £'000	31 Aug 2022 £'000
Irrecoverable overseas tax	207	213
Reclaimable tax written off	26	15
Current tax charge for the year	233	228

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022 £'000
Net revenue before taxation	3,008	2,064
Corporation tax at 20% (31/08/22: 20%)	602	413

Effects of:

Revenue not subject to taxation	(657)	(500)
Current year management expenses not utilised	58	89
Irrecoverable overseas tax	207	213
Reclaimable tax written off	26	15
Tax relief on overseas tax suffered	(3)	(2)
Current tax charge for the year	233	228

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 (31/08/22: same).

d) Factors that may affect future tax charges

At the year end, there is a potential deferred tax asset of £197,000 (31/08/22: £139,000) 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 2023

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 2023 £'000	31 Aug 2022 £'000
Accumulation shares		
Interim	760	459
Final	1,688	1,443
	2,448	1,902
Add: Amounts deducted on cancellation of shares	147	52
Deduct: Amounts received on the creation of shares	(102)	(118)
Net distributions for the year	2,493	1,836

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

	31 Aug 2023 £'000	31 Aug 2022 £'000
Net revenue after taxation	2,775	1,836
Stock dividend charged to capital	(282)	–
Net distributions for the year	2,493	1,836

Details of the distribution per share are set out on page 278.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts receivable on creation of shares	793	556
Sales awaiting settlement	–	1,233
Accrued revenue	565	403
Overseas withholding tax recoverable	30	34
Total debtors	1,388	2,226

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022 £'000
Cash and bank balances	4,194	2,639
Total cash and bank balances	4,194	2,639

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022 £'000
Amounts payable on cancellation of shares	177	40
Purchases awaiting settlement	–	1,882
Accrued expenses	69	67
Total other creditors	246	1,989

10. Reconciliation of number of shares

	Class M Accumulation	Class R Accumulation
Opening shares at 01/09/22	34,457,801	115,247,484
Shares issued	5,707,650	28,620,398
Shares cancelled	(2,731,113)	(53,377,239)
Closing shares at 31/08/23	37,434,338	90,490,643

	Class S Accumulation
Opening shares at 01/09/22	60,277,602
Shares issued	–
Shares cancelled	(1,576,072)
Closing shares at 31/08/23	58,701,530

	Class Z Accumulation*	Class Z Income*
Opening shares at 06/04/23	–	–
Shares issued	2,500	2,500
Shares cancelled	–	–
Closing shares at 31/08/23	2,500	2,500

* Class Z Accumulation and Class Z Income launched on 6 April 2023.

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 (31/08/22: 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 £563,000 (31/08/22: £465,000).

At the year end, 31 August 2023, 48.25% (31/08/22: 54.70%) 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 2023

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: £21,000) (31/08/22: £3,000 (Gross: £16,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £14,450,000 (31/08/22: £15,480,000).

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

Asset class	31 Aug 2023	31 Aug 2022
	Collateral Held £'000	Collateral Held £'000
Equity	8,432	10,450
Bonds	6,898	6,164

The aggregate value of collateral held at the balance sheet date was £15,330,000 (31/08/22: £16,614,000).

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 BNP Paribas Arbitrage and 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 2023 £'000	31 Aug 2022 £'000
Sterling	49,335	42,266
Australian dollar	5	6
Canadian dollar	4,895	1
Danish krone	5,624	5,266
Euro	25,196	23,954
Hong Kong dollar	6,908	8,733
Indonesian rupiah	2,635	–
Japanese yen	4,819	21
Swiss franc	3,368	7,007
US dollar	153,640	173,714
Total	256,425	260,968

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 £20,709,000 (31/08/22: £21,870,000). 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 £20,709,000 (31/08/22: £21,870,000). 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 £25,109,000 (31/08/22: £25,809,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £25,109,000 (31/08/22: £25,809,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £4,194,000 (31/08/22: £2,639,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.64% of the current Net Asset Value and 1.01% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

15. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	70,138	29	0.04	82	0.12	34	0.05	70,283
Total	70,138	29		82		34		70,283

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	102,545	27	0.03	2	–	1	–	102,515
Total	102,545	27		2		1		102,515

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.04%
Other expenses	0.01%

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
Total	154,867	52		150		14		155,083

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
Total	30,847	14		–		–		30,833

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%

At the balance sheet date the portfolio dealing spread was 0.05% (31/08/22: 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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	251,089	–	–	251,089
Total	251,089	–	–	251,089

As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	258,092	–	–	258,092
Total	258,092	–	–	258,092

17. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £259,544,346. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 1.20%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class M Accumulation				
Group 1	0.1661	–	0.1661	0.0000
Group 2	0.1588	0.0073	0.1661	0.0000
Class R Accumulation				
Group 1	0.5795	–	0.5795	0.2978
Group 2	0.4189	0.1606	0.5795	0.2978
Class S Accumulation				
Group 1	0.4056	–	0.4056	0.2082
Group 2	0.4056	0.0000	0.4056	0.2082

Final

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class M Accumulation				
Group 1	0.6390	–	0.6390	0.3099
Group 2	0.3856	0.2534	0.6390	0.3099
Class R Accumulation				
Group 1	1.1018	–	1.1018	0.8491
Group 2	0.6501	0.4517	1.1018	0.8491
Class S Accumulation				
Group 1	0.7705	–	0.7705	0.5942
Group 2	0.7705	0.0000	0.7705	0.5942
Class Z Accumulation*				
Group 1	0.4944	–	0.4944	n/a
Group 2	0.4944	0.0000	0.4944	n/a
Class Z Income*				
Group 1	0.4948	–	0.4948	n/a
Group 2	0.4948	0.0000	0.4948	n/a

* Class Z Accumulation and Class Z Income launched on 6 April 2023. Distribution paid is for the period 6 April 2023 to 31 Aug 2023.

Royal London UK Broad Equity Tilt Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Broad Equity Tilt, Class R Accumulation	5.90	–	–
Royal London UK Broad Equity Tilt, Class S Accumulation	5.98	–	–
Royal London UK Broad Equity Tilt, Class Z Accumulation	5.80	–	–
FTSE® All-Share Index	5.23	34.95	18.39
IA UK All Companies TR	3.79	22.84	8.41

Class R Accumulation was launched following the merger in from the Royal London All Share Tracker Fund, Class Z Accumulation launched on 3 December 2021 and Class S Accumulation launched 15 July 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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

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 Royal London UK Broad Equity Tilt Fund and the FTSE® All-Share Index was 0.22% 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.

The Fund has achieved its objective to achieve carbon intensity of at least 10% lower than that of the Fund's benchmark.

Market overview

Over the past months, equity markets have been dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

Manager's Investment Report (continued)

Portfolio commentary

In August 2021, RLAM started transitioning its passive equity funds from index trackers to ESG (Environmental, Social and Governance) 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

31 August 2023

Royal London Asset Management Limited

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Limited, unless otherwise stated.

Comparative Tables

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22** (p)
Opening net asset value per share	101.24	100.00
Return before operating charges*	5.49	1.28
Operating charges	(0.05)	(0.04)
Return after operating charges*	5.44	1.24
Distributions on accumulation shares	(3.62)	(2.78)
Retained distributions on accumulation shares	3.62	2.78
Closing net asset value per share	106.68	101.24
* after direct transaction costs of:	0.02	0.02
Performance		
Return after charges	5.37%	1.24%
Other information		
Closing net asset value (£'000)	533,683	597,863
Closing number of shares	500,246,541	590,543,933
Operating charges#	0.11%	0.11%
Direct transaction costs	0.02%	0.02%
Prices[^]		
Highest share price	112.40	105.90
Lowest share price	94.26	94.37

** Class R Accumulation launched on 3 December 2021.

Class S Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22** (p)
Opening net asset value per share	103.25	100.00
Return before operating charges*	5.60	3.26
Operating charges	(0.05)	(0.01)
Return after operating charges*	5.55	3.25
Distributions on accumulation shares	(3.70)	(0.83)
Retained distributions on accumulation shares	3.70	0.83
Closing net asset value per share	108.80	103.25
* after direct transaction costs of:	0.02	0.02
Performance		
Return after charges	5.38%	3.25%
Other information		
Closing net asset value (£'000)	13,175	16,994
Closing number of shares	12,110,350	16,459,325
Operating charges#	0.11%	0.11%
Direct transaction costs	0.02%	0.02%
Prices[^]		
Highest share price	114.60	107.60
Lowest share price	96.13	100.00

** Class S Accumulation launched on 15 July 2022.

Class Z Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22** (p)
Opening net asset value per share	101.20	100.00
Return before operating charges*	5.51	1.28
Operating charges	(0.12)	(0.08)
Return after operating charges*	5.39	1.20
Distributions on accumulation shares	(3.57)	(2.74)
Retained distributions on accumulation shares	3.57	2.74
Closing net asset value per share	106.59	101.20
* after direct transaction costs of:	0.02	0.02
Performance		
Return after charges	5.33%	1.20%
Other information		
Closing net asset value (£'000)	37,927	48,847
Closing number of shares	35,580,444	48,265,640
Operating charges#	0.17%	0.17%
Direct transaction costs	0.02%	0.02%
Prices[^]		
Highest share price	112.30	105.90
Lowest share price	94.22	94.35

** Class Z Accumulation launched on 3 December 2021.

0.06% of the operating charge relates to estimated weighted charges in underlying collective investment undertakings.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 95.68% (31/08/22 – 92.71%)			
Oil & Gas – 10.79% (31/08/22 – 10.62%)			
Alternative Energy – 0.08%			
	234,849 Bluefield Solar Income Fund	266	0.04
	7,343 Porvair	45	0.01
	49,115 Volution	187	0.03
Oil & Gas Producers – 10.58%			
	4,256,212 BP	20,749	3.55
	61,515 Capricorn Energy	106	0.02
	126,125 Harbour Energy	315	0.05
	37,743 Ithaca Energy	53	0.01
	25,425 Kenmare Resources	104	0.02
	1,680,108 Shell	40,516	6.93
	93,271 SOCO International	20	–
Oil Equipment & Services – 0.13%			
	102,911 Hunting	252	0.04
	249,629 John Wood	399	0.07
	145,608 Petrofac	105	0.02
Total Oil & Gas		63,117	10.79
Basic Materials – 6.47% (31/08/22 – 6.91%)			
Chemicals – 0.56%			
	32,050 Croda International	1,769	0.30
	54,677 Johnson Matthey	891	0.15
	89,045 Synthomer	57	0.01
	25,595 Treatt	141	0.02
	25,790 Victrex	387	0.07
	14,201 Zotefoams	47	0.01
Forestry & Paper – 0.08%			
	37,190 Mondi	489	0.08
Industrial Metals – 0.00%			
	5,294 Ferrexpo	4	–
Mining – 5.83%			
	288,145 Anglo American	6,051	1.03
	79,334 Antofagasta	1,148	0.20
	108,253 Capital Limited	89	0.02
	37,492 Endeavour Mining	605	0.10
	35,668 Fresnillo	205	0.03
	3,066,609 Glencore	12,923	2.21
	196,340 Hochschild Mining	179	0.03
	10,273 Kenmare Resources	42	0.01
	54,532 Petra Diamonds	39	0.01
	6,570 Pod Point	2	–
	262,552 Rio Tinto	12,793	2.19
Total Basic Materials		37,861	6.47
Industrials – 12.06% (31/08/22 – 10.15%)			
Aerospace & Defence – 2.30%			
	7,736 Avon Protection	50	0.01
	752,814 BAE Systems	7,585	1.30
	77,156 Chemring	223	0.04
	163,274 QinetiQ	544	0.09
	2,151,062 Rolls-Royce	4,780	0.82
	123,557 Senior	222	0.04
Construction & Materials – 1.89%			
	207,027 Balfour Beatty	677	0.11
	28,405 Berkeley	1,153	0.20
	47,229 Boot Henry	97	0.02
	78,650 Costain	45	0.01
	153,109 CRH	6,954	1.19
	38,908 Galliford Try	76	0.01
	72,293 Genuit Group	230	0.04
	22,413 Keller	172	0.03
	170,183 Kier	144	0.02
	66,596 Marshalls	183	0.03

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
	10,182 MJ Gleeson	39	0.01
	15,529 Morgan Sindall	306	0.05
	19,797 Norcros	29	–
	55,474 Redrow	264	0.05
	60,606 Travis Perkins	522	0.09
	62,742 Tyman	184	0.03
Electronic & Electrical Equipment – 0.86%			
	102,871 Halma	2,205	0.38
	31,567 Morgan Advanced Materials	83	0.01
	12,318 Oxford Instruments	272	0.05
	8,430 Renishaw	307	0.05
	282,244 Rotork	849	0.15
	32,683 Spectris	1,087	0.19
	46,781 TT Electronics	80	0.01
	24,283 Xaar	44	0.01
	3,796 XP Power	81	0.01
General Industrials – 0.74%			
	281,389 Coats Group	216	0.04
	45,667 Macfarlane Group	48	0.01
	138,316 Smith (DS)	432	0.07
	98,199 Smiths Group	1,610	0.28
	781 Smurfit Kappa	26	–
	53,025 Smurfit Kappa	1,761	0.30
	43,829 Vesuvius	193	0.03
	9,346 Videndum	48	0.01
Industrial Engineering – 0.90%			
	26,678 Bodycote	176	0.03
	31,312 Hill & Smith	560	0.10
	82,527 IMI	1,240	0.21
	82,487 Severfield	56	0.01
	18,764 Spirax-Sarco Engineering	1,901	0.32
	42,657 Trifast	35	0.01
	71,288 Weir	1,307	0.22
Industrial Transportation – 0.11%			
	7,012 Clarkson	190	0.03
	16,701 Fisher (James) & Sons	55	0.01
	1,117 Ocean Wilsons Holdings	11	–
	176,836 Royal Mail	430	0.07
	38,581 Taylor Maritime Investments	26	–
Support Services – 5.26%			
	111,876 Ashtead Group	6,178	1.06
	141,624 Babcock International	547	0.09
	84,268 Bunzl	2,384	0.41
	438,603 Capita	79	0.01
	25,879 CMC Markets	27	–
	30,593 DCC	1,324	0.23
	42,260 De La Rue	24	–
	32,306 Diploma	1,012	0.17
	26,317 discoverIE Group	192	0.03
	229,932 Experian	6,351	1.09
	58,240 Grafton	502	0.09
	529,409 Hays	566	0.10
	128,479 Howdens Joinery	950	0.16
	66,645 IntegraFin	160	0.03
	206,067 International Workplace	369	0.06
	42,981 Intertek	1,779	0.30
	47,843 Kin and Carta	39	0.01
	5,201 Mears Group	15	–
	351,622 Melrose Industries	1,802	0.31
	324,983 Mitie Group	316	0.05
	90,939 PageGroup	381	0.07
	13,265 Paypoint	73	0.01
	66,112 Redde Northgate	212	0.04
	596,760 Rentokil Initial	3,584	0.61
	25,799 Ricardo	130	0.02
	17,712 Robert Walters	65	0.01
	134,805 RS Group	1,024	0.18
	289,197 Serco Group	442	0.08
	100,452 SIG	34	0.01
	51,506 SThree	184	0.03
Total Industrials		70,553	12.06

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Consumer Goods – 15.45% (31/08/22 – 15.21%)			
Automobiles & Parts – 0.12%			
71,091	Aston Martin Lagonda Global	253	0.04
351,622	Dowlais Group	399	0.07
51,498	TI Fluid Systems	65	0.01
Beverages – 3.40%			
22,661	Barr (AG)	110	0.02
88,578	Britvic	779	0.13
173,683	C&C Group	237	0.04
53,093	Coca-Cola HBC	1,209	0.21
540,790	Diageo	17,541	3.00
Food Producers – 1.44%			
5,738	Anglo-Eastern Plantations	42	0.01
77,629	Associated British Foods	1,546	0.27
29,777	Bakkavör	29	–
16,318	Cranswick	550	0.09
230,506	Greencore Group	194	0.03
16,246	Hilton Food	109	0.02
258,466	Premier Foods	318	0.06
283,835	SSP Group	667	0.11
1,875,331	Tesco	4,983	0.85
Household Goods – 2.51%			
258,050	Barratt Developments	1,169	0.20
33,423	Bellway	714	0.12
52,208	Crest Nicholson	94	0.02
54,759	DFS Furniture	60	0.01
11,106	Headlam	24	–
80,094	Persimmon	854	0.15
176,258	Reckitt Benckiser	10,047	1.72
878,199	Taylor Wimpey	1,003	0.17
12,785	UP Global Sourcing Holdings	16	–
88,757	Vistry Group	695	0.12
Leisure Goods – 0.17%			
8,748	Games Workshop	946	0.16
32,904	Photo-Me International	52	0.01
Personal Goods – 4.76%			
100,966	Burberry	2,205	0.38
172,079	Dr. Martens	271	0.05
51,290	PZ Cussons	81	0.01
624,926	Unilever	25,260	4.32
Tobacco – 3.05%			
538,908	British American Tobacco	14,130	2.42
205,021	Imperial Brands	3,669	0.63
Total Consumer Goods		90,321	15.45
Healthcare – 10.11% (31/08/22 – 10.28%)			
Healthcare Equipment & Services – 0.60%			
374,317	ConvaTec	870	0.15
26,121	NMC Health**	–	–
231,653	Smith & Nephew	2,478	0.42
75,145	Spire Healthcare	163	0.03
Pharmaceuticals & Biotechnology – 9.51%			
364,131	AstraZeneca	38,816	6.64
24,756	Dechra Pharmaceuticals	942	0.16
13,661	Genus	318	0.05
1,007,614	GSK	13,994	2.39
38,698	Hikma Pharmaceuticals	847	0.14
31,996	Indivior	582	0.10
15,454	Oxford Biomedica	50	0.01
42,750	PureTech Health	85	0.02
Total Healthcare		59,145	10.11

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Consumer Services – 10.88% (31/08/22 – 9.19%)			
Food & Drug Retailers – 0.54%			
25,723	Greggs	634	0.11
147,427	Ocado	1,285	0.22
462,460	Sainsbury (J)	1,249	0.21
General Retailers – 2.54%			
117,739	AO World	110	0.02
15,977	ASOS	70	0.01
229,546	B&M European Value Retail	1,325	0.23
91,472	Card Factory	94	0.02
301,901	Currys	151	0.03
33,238	Dunelm	386	0.07
37,112	DWF Group	36	0.01
30,418	Frasers Group	245	0.04
1,250,036	Haleon	4,031	0.69
72,936	Halfords	133	0.02
112,315	Inchcape	857	0.15
636,789	JD Sports Fashion	925	0.16
518,832	Kingfisher	1,214	0.21
58,412	Lookers	75	0.01
515,592	Marks & Spencer	1,169	0.20
18,903	Motorpoint	18	–
31,680	Next	2,213	0.38
432,382	Pendragon	81	0.01
115,466	Pets at Home	436	0.07
29,723	Superdry	17	–
40,451	Topps Tiles	20	–
60,827	Watches of Switzerland Group	354	0.06
41,592	WH Smith	610	0.10
106,851	Wickes Group	150	0.03
56,197	XPS Pension Group	105	0.02
Media – 3.52%			
5,358	4imprint	272	0.05
120,289	Ascential	241	0.04
26,870	Bloomsbury Publishing	111	0.02
34,724	Future	269	0.05
373,954	Informa	2,733	0.47
1,095,689	ITV	776	0.13
172,561	Moneysupermarket.com	429	0.07
169,292	Pearson	1,420	0.24
100,678	Reach	74	0.01
464,861	RELX	11,979	2.05
12,872	STV	25	–
295,765	WPP	2,264	0.39
Travel & Leisure – 4.28%			
348,619	888 Holdings	445	0.08
426,458	Compass Group	8,499	1.45
146,003	Domino's Pizza	576	0.10
159,910	Entain	1,850	0.32
179,122	Firstgroup	260	0.04
45,983	Flutter Entertainment	6,624	1.13
20,533	Fuller Smith & Turner	115	0.02
106,394	Gym Group	118	0.02
83,801	Hollywood Bowl	198	0.03
53,743	Hostelworld	69	0.01
32,029	Intercontinental Hotels	1,907	0.33
215,573	International Consolidated Airlines (IAG)	349	0.06
230,995	Marston's	74	0.01
115,705	Mitchells & Butlers	255	0.04
151,804	Mobico	127	0.02
138,624	On The Beach	134	0.02
8,125	PPHE Hotel	89	0.02
89,632	Rank Group	75	0.01
450,822	Restaurant Group	192	0.03
14,871	TEN Entertainment Group	39	0.01
96,070	TUI	452	0.08
44,605	Wetherspoon (JD)	321	0.06
66,470	Whitbread	2,285	0.39
Total Consumer Services		63,639	10.88

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Telecommunications – 1.15% (31/08/22 – 1.87%)			
Fixed Line Telecommunications – 0.47%			
254,492	Airtel Africa	290	0.05
1,799,958	BT Group	2,080	0.35
122,815	Helios Towers	112	0.02
17,901	Telecom Plus	284	0.05
Mobile Telecommunications – 0.68%			
5,434,494	Vodafone	3,978	0.68
Total Telecommunications		6,744	1.15
Utilities – 3.24% (31/08/22 – 3.20%)			
Electricity – 0.85%			
94,964	Drax	524	0.09
34,966	Luceco	43	0.01
268,273	SSE	4,363	0.75
Gas, Water & Multiutilities – 2.39%			
1,473,894	Centrica	2,233	0.38
833,357	National Grid	8,252	1.41
80,389	Pennon Group	518	0.09
55,138	Severn Trent	1,323	0.23
171,899	United Utilities	1,628	0.28
Total Utilities		18,884	3.24
Financials – 24.06% (31/08/22 – 23.52%)			
Banks – 8.53%			
3,834	Bank of Georgia	134	0.03
3,812,493	Barclays	5,618	0.96
4,954,620	HSBC	28,890	4.94
16,261,860	Lloyds Banking Group	6,888	1.18
56,522	Metro Bank Holdings	59	0.01
1,319,082	Natwest Group	3,039	0.52
2,889	Secure Trust Bank	19	–
605,840	Standard Chartered	4,311	0.74
12,606	TBC Bank	358	0.06
333,047	Virgin Money UK	542	0.09
Equity Investment Instruments – 4.32%			
146,221	3i Infrastructure	450	0.08
120,859	Aberdeen Diversified Income and Growth	102	0.02
14,492	Aberdeen New India Investment Trust	81	0.01
44,056	Aberdeen Standard Asia Focus	114	0.02
116,890	Aberdeen Standard European Logistic Income	78	0.01
18,110	Aberforth Smaller Companies Trust	222	0.04
26,790	Aberforth Split Level Income	18	–
57,611	Abrdn Asian Income Fund	114	0.02
1,739	Abrdn China Investment Company	8	–
23,441	Abrdn Equity Income Trust	73	0.01
26,322	Abrdn New Dawn Investment Trust	67	0.01
30,274	Abrdn Private Equity Opportunities Trust	129	0.02
17,644	Abrdn UK Smaller Companies Growth Trust	73	0.01
29,598	Allianz Technology Trust	79	0.01
8,575	Artemis Alpha Trust	25	–
15,940	Ashoka India Equity Investment Trust	35	0.01
32,647	Asia Dragon Trust	115	0.02
12,671	Augmentum Fintech	12	–
8,402	Aurora Investment Trust	17	–
139,639	AVI Global Trust	275	0.05
29,339	AVI Japan Opportunity Trust	34	0.01
17,122	Baillie Gifford China Growth Trust	37	0.01
142,673	Baillie Gifford European Growth Trust	126	0.02
26,247	Baillie Gifford Japan Investment Trust	192	0.03
82,505	Baillie Gifford Shin Nippon Investment Trust	110	0.02
22,483	Baillie Gifford UK Growth Fund	36	0.01
401,932	Bankers Investment Trust	391	0.07
10,962	Biotech Growth Trust	86	0.01
69,223	BlackRock Frontiers Investment Trust	98	0.02
15,781	BlackRock Greater European Investment Trust	83	0.01
34,721	BlackRock Latin American Investment Trust	140	0.02

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
6,053	BlackRock Smaller Companies Investment Trust	77	0.01
31,990	BlackRock Sustainable American Income Trust	58	0.01
13,135	BlackRock Throgmorton Investment Trust	73	0.01
64,780	BlackRock World Mining Investment Trust	381	0.07
3,189	Brown Advisory US Smaller	37	0.01
7,783	Brunner Investment Trust	83	0.01
9,766	Caledonia Investments	323	0.06
135,635	City of London Investment Trust 'A'	532	0.09
38,650	Coupland Cardiff Japan Income & Growth Trust	64	0.01
224,293	CQS New City High Yield Fund	98	0.02
12,891	CT Private Equity Trust	65	0.01
19,617	CT UK Capital and Income Investment Trust	56	0.01
108,965	Diverse Income Trust	88	0.02
37,784	Dunedin Income Growth Investment Trust	102	0.02
14,489	Ecofin Global Utilities & Infrastructure Trust	25	–
49,216	Edinburgh Investment Trust	318	0.05
7,838	EP Global Opportunities Trust	23	–
17,669	European Opportunities Trust	141	0.02
142,049	F&C Investment Trust	1,230	0.21
28,706	Fidelity Asian Values Investment Trust	148	0.03
108,948	Fidelity China Special Situations Investment Trust	228	0.04
27,444	Fidelity Emerging Markets	161	0.03
117,175	Fidelity European Values	411	0.07
29,713	Fidelity Japanese Values Investment Trust	50	0.01
52,500	Fidelity Special Values	140	0.02
62,297	Finsbury Growth & Income Trust	539	0.09
7,162	Fundsmith Emerging Equities Trust [#]	–	–
25,090	Gabelli Value Plus Trust [#]	–	–
189,872	GCP Infrastructure Investments	142	0.02
539,858	Greencoat UK Wind	764	0.13
20,014	HarbourVest Global Private Equity	447	0.08
8,605	Henderson Alternative Strategies Trust [#]	–	–
80,034	Henderson Diversified Income	51	0.01
64,010	Henderson European Focus Trust	104	0.02
47,874	Henderson Eurotrust	66	0.01
71,340	Henderson Far East Income	156	0.03
27,888	Henderson High Income	45	0.01
47,179	Henderson International Income Trust	76	0.01
22,273	Henderson Smaller Companies Investment Trust	159	0.03
17,386	Herald Investment Trust	307	0.05
20,077	ICG Enterprise Trust	216	0.04
78,348	Impax Environmental Markets	311	0.05
9,668	International Biotechnology Investment Trust	62	0.01
15,612	Invesco Asia Trust	50	0.01
58,719	Invesco Bond Income	95	0.02
8,435	Invesco Perpetual UK Smaller Companies Investment Trust	35	0.01
38,905	JPMorgan American Investment Trust	313	0.05
40,099	JPMorgan Asian Growth and Income Trust	137	0.02
45,478	JPMorgan China Growth and Income Trust	113	0.02
15,469	JPMorgan Claverhouse Investment Trust	100	0.02
40,246	JPMorgan European Discovery Trust	155	0.03
160,733	JPMorgan European Growth & Income	150	0.03
109,573	JPMorgan Global Emerging Markets Fund	137	0.02
14,131	JPMorgan Indian Investment Trust	118	0.02
39,280	JPMorgan Japanese Investment Trust	187	0.03
16,696	JPMorgan Japanese Smaller Companies Investment Trust	52	0.01
7,606	JPMorgan Mid Capital Investment Trust	67	0.01
14,203	JPMorgan US Smaller Companies Trust	53	0.01
171,607	Jupiter Fund Management	171	0.03
35,325	Law Debenture	282	0.05
77	Lindsell Train Investment Trust	68	0.01
75,182	Lowland Investment Company	85	0.01
33,207	M&G Credit Income Investment Trust	29	–
7,011	Majedie Investment Trust	13	–
2,850	Manchester & London Investment Trust	12	–
26,440	Martin Currie Global Portfolio	87	0.02
21,325	Merchants Trust	114	0.02
7,297	Mid Wynd International Investment Trust	51	0.01
39,567	Middlefield Canadian Income Trust	41	0.01
38,384	Mobius Investment Trust	52	0.01

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Financials – 24.06% (31/08/22 – 23.52%) – continued			
Equity Investment Instruments – 4.32% – continued			
41,081	Monks Investment Trust	398	0.07
21,811	Montanaro European Smaller Companies Trust	28	–
30,796	Montanaro UK Smaller Companies Trust	31	0.01
29,217	Murray Income Trust	239	0.04
9,973	NB Private Equity Partners	153	0.03
255,100	NextEnergy Solar Fund	225	0.04
34,805	North American Income Trust	97	0.02
1,373	North Atlantic Smaller Companies	48	0.01
65,921	Octopus Renewables	58	0.01
44,472	Pacific Assets Trust	158	0.03
40,101	Pacific Horizon Investment Trust	222	0.04
35,779	Pantheon Infrastructure	27	–
142,905	Pantheon International	398	0.07
21,997	Personal Assets Trust	102	0.02
316,429	Picton Property Income	218	0.04
99,248	Polar Capital Global Financials Trust	137	0.02
28,231	Polar Capital Global Healthcare Growth & Income Trust	92	0.02
17,992	Polar Capital Technology Trust	406	0.07
59,565	Real Estate Credit Investments	77	0.01
29,827	RIT Capital Partners	570	0.10
13,123	Riverstone Energy	76	0.01
48,364	Schroder Asia Pacific Fund	233	0.04
32,111	Schroder Asian Total Return Investment Company	128	0.02
19,534	Schroder Income Growth Fund	52	0.01
26,796	Schroder Japan Trust	61	0.01
72,680	Schroder Oriental Income Fund	178	0.03
4,934	Schroder UK Mid Cap Fund	26	–
305,049	Schroders Capital Global Innovation Trust	40	0.01
47,479	Scottish American Investment Trust	241	0.04
324,716	Scottish Mortgage Investment Trust	2,226	0.38
6,696	Scottish Oriental Smaller Companies	85	0.01
166,566	SDCL Energy Efficiency Income Trust	123	0.02
386,778	Sequoia Economic Infrastructure Income Fund	322	0.06
17,424	Smithson Investment Trust	236	0.04
17,490	Strategic Equity Capital	55	0.01
22,639	STS Global Income & Growth Trust	49	0.01
117,350	Temple Bar Investment Trust	267	0.05
92,240	The Alliance Trust	961	0.16
231,217	The Mercantile Investment Trust	456	0.08
131,111	TR European Growth Trust	201	0.03
87,977	TR Property Investment Trust	250	0.04
49,973	Troy Income & Growth Trust	35	0.01
27,893	Twentyfour Select Monthly Income Fund	20	–
80,621	Utilico Emerging Markets	177	0.03
9,892	Value & Income Trust	19	–
54,218	Vietnam Enterprise Investments	328	0.06
43,516	VinaCapital Vietnam Opportunity Fund	195	0.03
Financial Services – 4.15%			
238,310	3i Group	4,751	0.81
55,069	AJ Bell	160	0.03
117,723	Apax Global Alpha	198	0.03
137,946	Ashmore	268	0.05
208,800	BBGi Global Infrastructure	291	0.05
74,529	Bridgepoint	130	0.02
154,139	Chrysalis Investments	108	0.02
7,533	City of London Investment	30	0.01
41,797	Close Brothers	343	0.06
50,563	Finabl**#	–	–
16,505	Foresight Group Holdings	77	0.01
50,486	Funding Circle	22	–
97,272	Hargreaves Lansdown	740	0.13
93,035	IG Group	629	0.11
75,432	Intermediate Capital Group	1,020	0.18
23,186	International Personal Finance	28	0.01
370,421	International Public Partnership	487	0.08
175,661	Investec	821	0.14
286,745	IP	168	0.03
52,103	JPMorgan Global Core Real Assets	40	0.01
31,505	JTC	219	0.04

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
10,045	Liontrust Asset Management	66	0.01
101,500	London Stock Exchange	8,297	1.42
339,210	Man Group	718	0.12
37,178	Molten Ventures	90	0.02
112,387	Network International Holdings	436	0.08
130,317	Ninety One	223	0.04
18,848	Odyssean Investment Trust	28	–
105,472	OSB Group	360	0.06
57,971	Paragon Banking Group	305	0.05
11,308	Petershill Partners	20	–
20,884	Plus500	298	0.05
374,881	Quilter	320	0.05
17,638	Rathbones Group	310	0.05
1,228	Record	1	–
71,288	Ruffer	191	0.03
642	S & U	14	–
204,762	Schroders	843	0.14
105,493	Syncona	139	0.02
343,974	Templeton Emerging Markets Investment Trust	504	0.09
235,803	TP ICAP	389	0.07
68,326	Vanquis Banking	71	0.01
108,677	VH Global Sustainable Energy Opportunities	86	0.01
71,488	VPC Specialty Lending Investments	50	0.01
Life Insurance – 2.97%			
632,144	Abrdn	1,043	0.18
702,355	Aviva	2,635	0.45
29,138	Chesnara	79	0.01
334,902	Just Group	252	0.04
1,516,902	Legal & General	3,316	0.57
562,547	M&G	1,073	0.18
189,892	Phoenix Group	989	0.17
698,778	Prudential	6,752	1.16
139,233	St James's Place Capital	1,232	0.21
Non-Life Insurance – 0.82%			
68,322	Admiral	1,700	0.29
182,382	Beazley	995	0.17
356,689	Direct Line Insurance	578	0.10
91,841	Hiscox	916	0.16
73,997	Lancashire	423	0.07
79,612	Sabre Insurance	122	0.02
52,198	Saga	76	0.01
Real Estate Investment Services – 1.38%			
57,178	AEW UK	56	0.01
1,113	Alcentra European Floating Rate Income Fund**#	–	–
55,793	BB Healthcare Trust	83	0.02
84,459	BH Macro	294	0.05
31,144	CVC Income & Growth	30	0.01
153,690	European Assets Trust	136	0.02
159,089	Foresight Solar Fund	147	0.03
182,804	Foxtons	68	0.01
139,085	GCP Asset Backed Income Fund	80	0.01
58,780	Gore Street Energy Storage Fund	48	0.01
193,382	Grainger	457	0.08
7,757	Harworth Group	8	–
24,554	Helical Bar	58	0.01
115,281	HG Capital Trust	448	0.08
435,372	HICL Infrastructure	583	0.10
267,161	Hipgnosis Songs Fund	208	0.04
8,349	Honeycomb Investment Trust	51	0.01
222,161	Intu Properties**#	–	–
30,044	Invesco Select Trust	47	0.01
110,735	JLEN Environmental Assets	109	0.02
339,627	JPMorgan Emerging Markets Investment Trust	357	0.06
72,280	JPMorgan Global Growth and Income	338	0.06
8,611	JPMorgan Smaller Companies Trust	23	–
32,551	LSL Property Services	77	0.01
177,345	Murray International Trust	435	0.07
37,699	NB Global Monthly Income Fund	27	–
10,573	Palace Capital	26	–
39,579	Pershing Square Holdings	1,183	0.20
624,756	Renewables Infrastructure	678	0.12

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Financials – 24.06% (31/08/22 – 23.52%) – continued			
Real Estate Investment Services – 1.38% – continued			
39,119	Savills	356	0.06
264,020	Sirius Real Estate	230	0.04
148,582	Starwood European Real Estate Finance	130	0.02
68,290	Target Healthcare	50	0.01
162,946	The Global Smaller Companies Trust	233	0.04
20,949	TwentyFour Income	20	–
226,478	Witan Investments	506	0.09
155,250	Worldwide Healthcare Trust	480	0.08
Real Estate Investment Trusts – 1.89%			
68,668	Abrdn Property Income Trust	32	0.01
752,757	Assura	345	0.06
46,205	Big Yellow	496	0.08
187,238	BMO Commercial Property Trust	129	0.02
260,762	British Land	844	0.14
15,414	Capital and Regional	9	–
34,620	CLS	44	0.01
154,777	Custodian	122	0.02
34,906	Derwent London	649	0.11
97,769	Ediston Property Investment Company	68	0.01
79,978	Empiric Student Property	70	0.01
70,818	Great Portland Estates	298	0.05
964,457	Hammerson	232	0.04
156,703	Home REIT*	–	–
107,261	Impact Healthcare	98	0.02
193,633	Land Securities	1,166	0.20
345,716	LondonMetric Property	626	0.11
213,622	LXI	199	0.03
30,671	NewRiver Retail	25	–
20,728	Phoenix Spree	35	0.01
157,671	Primary Health Properties	148	0.03
187,465	PRS	135	0.02
11,092	Regional	5	–
19,259	Residential Secure	11	–
54,044	Safestore	467	0.08
26,285	Schroder European	19	–
153,658	Schroder Real Estate Investment Trust	63	0.01
317,899	Segro	2,344	0.40
408,353	Shaftesbury Capital	480	0.08
99,770	Supermarket Income REIT	77	0.01
134,469	Triple Point Social Housing	76	0.01
518,659	Tritax Big Box	732	0.13
165,268	Tritax EuroBox	89	0.03
199,586	UK Commercial Property Trust	108	0.02
54,384	Unite Group	511	0.09
35,548	Urban Logistics REIT	42	0.01
7,581	Warehouse REIT	6	–
42,766	Workspace	215	0.04
Total Financials		140,671	24.06

Technology – 1.48% (31/08/22 – 1.76%)

Software & Computer Services – 1.44%

55,829	Alfa Financial Software	85	0.01
22,325	Aptitude Software	65	0.01
26,235	Auction Technology	186	0.03
223,957	Auto Trader	1,358	0.23
59,630	Baltic Classifieds Group	126	0.02
54,975	Bytes Technology Group	267	0.05
21,317	Computacenter	465	0.08
97,236	Darktrace	350	0.06
18,858	FDM	108	0.02
21,650	Kainos	263	0.05
93,406	Moonpig Group	157	0.03
103,946	NCC	104	0.02
90,224	Playtech	474	0.08
181,959	Rightmove	1,019	0.18
249,053	Sage	2,418	0.41
33,705	Softcat	507	0.09
157,757	Trainline	367	0.06
83,092	Trustpilot	68	0.01

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Technology Hardware & Equipment – 0.04%			
163,995	Spirent Communications	257	0.04
Total Technology		8,644	1.48
Futures – (0.01)% (31/08/22 – 0.07%)			
336	ICF FTSE® 100 Index Future September 2023	(47)	(0.01)
Total Futures		(47)	(0.01)
Total value of investments**			
		559,532	95.68
Net other assets			
		25,253	4.32
Total net assets			
		584,785	100.00

* Unlisted, nil value

** Including investment liabilities

Suspended

~ Level 3 asset

+ Value less than £1,000

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 2023

Significant Purchases

	Cost £'000
Rentokil Initial	962
Reckitt Benckiser	931
RELX	887
HSBC	869
Glencore	786
GSK	702
London Stock Exchange	631
Unilever	603
British American Tobacco	510
Intercontinental Hotels	494
Subtotal	7,375
Total cost of purchases, including the above, for the year	19,267

Significant Sales

	Proceeds £'000
Shell	6,379
AstraZeneca	5,482
BP	4,764
Glencore	3,931
Unilever	3,283
HSBC	3,239
Diageo	2,545
British American Tobacco	2,091
RELX	1,650
Meggitt	1,638
Subtotal	35,002
Total proceeds from sales, including the above, for the year	87,535

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022* £'000
Income			
Net capital gains/ (losses)	2	14,830	(8,302)
Revenue	3	22,604	17,342
Expenses	4	(346)	(229)
Net revenue before taxation		22,258	17,113
Taxation	5	(230)	(56)
Net revenue after taxation		22,028	17,057
Total return before distributions		36,858	8,755
Distributions	6	(21,476)	(16,923)
Change in net assets attributable to shareholders from investment activities		15,382	(8,168)

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023 £'000	31 Aug 2022* £'000
Assets			
Investments		559,579	615,807
Current assets:			
Debtors	7	4,901	5,674
Cash and bank balances	8	20,570	42,521
Total assets		585,050	664,002
Liabilities			
Investment liabilities		47	–
Other creditors	9	218	298
Total liabilities		265	298
Net assets attributable to shareholders		584,785	663,704

* The Fund was launched on 3 December 2021.

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023 £'000	31 Aug 2022* £'000
Opening net assets attributable to shareholders	663,704	–
Amounts transferred from other funds*	–	675,034
Amounts receivable on creation of shares	45,967	56,069
Amounts payable on cancellation of shares	(161,413)	(77,170)
	(115,446)	(21,101)
Dilution adjustment charged	317	331
Change in net assets attributable to shareholders from investment activities	15,382	(8,168)
Retained distribution on accumulation shares	20,828	17,608
Closing net assets attributable to shareholders	584,785	663,704

* 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. The Royal London UK All Share Tracker Fund was terminated on 27 February 2023.

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains/(losses)

	31 Aug 2023 £'000	31 Aug 2022* £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	12,222	(10,493)
Derivative securities	2,584	2,183
Currency gains	24	8
Net capital gains/(losses)	14,830	(8,302)

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022* £'000
UK dividends	19,551	15,992
Overseas dividends	1,094	801
Interest on debt securities	9	5
Property investment income (PID)	465	256
Bank interest	831	135
Interest received on amounts held with brokers	56	1
Stock lending income	46	19
Stock dividends	552	133
Total revenue	22,604	17,342

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022* £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee**	346	229
Total expenses	346	229

** Audit fee £14,001 (31/08/22: £13,340) inclusive of VAT is paid from the Fund Management Fee.

5. Taxation

a) Analysis of charge for the year

	31 Aug 2023 £'000	31 Aug 2022* £'000
Corporation tax	212	37
Irrecoverable overseas tax	18	19
Current tax charge for the year	230	56

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022* £'000
Net revenue before taxation	22,258	17,113
Corporation tax at 20% (31/08/22: 20%)	4,452	3,423

Effects of:

Revenue not subject to taxation	(4,240)	(3,386)
Irrecoverable overseas tax	18	19
Current tax charge for the year	230	56

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 was launched on 3 December 2021.

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 2023 £'000	31 Aug 2022* £'000
Accumulation shares		
Interim	7,245	2,848
Final	13,583	14,760
	20,828	17,608
Add: Amounts deducted on cancellation of shares	1,051	571
Deduct: Amounts received on the creation of shares	(403)	(1,256)
Net distributions for the year	21,476	16,923

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

	31 Aug 2023 £'000	31 Aug 2022* £'000
Net revenue after taxation	22,028	17,057
Movement in income carried forward	–	(1)
Stock dividend charged to capital	(552)	(133)
Net distributions for the year	21,476	16,923

Details of the distribution per share are set out on page 294.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022* £'000
Amounts receivable on creation of shares	3	500
Sales awaiting settlement	726	–
Accrued revenue	4,172	5,174
Total debtors	4,901	5,674

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022* £'000
Cash and bank balances	19,334	40,236
Amounts held at futures clearing houses and brokers	1,236	2,285
Total cash and bank balances	20,570	42,521

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022* £'000
Amounts payable on cancellation of shares	91	229
Accrued expenses	26	32
Corporation tax payable	101	37
Total other creditors	218	298

* The Fund was launched on 3 December 2021.

10. Reconciliation of number of shares

	Class R Accumulation	Class S Accumulation
Opening shares at 01/09/22	590,543,933	16,459,325
Shares issued	44,123,591	–
Shares cancelled	(134,420,983)	(4,348,975)
Closing shares at 31/08/23	500,246,541	12,110,350

	Class Z Accumulation
Opening shares at 01/09/22	48,265,640
Shares issued	727,322
Shares cancelled	(13,412,518)
Closing shares at 31/08/23	35,580,444

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 (31/08/22: 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 £114,000 (from 31/08/22: £239,000).

At the year end, 31 August 2023, 44.49% (31/08/22: 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 year ended 31 August 2023

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 £12,000 (Gross: £58,000) (31/08/22: £4,000 (Gross: £23,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £20,197,000 (31/08/22: £20,728,000).

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

Asset class	31 Aug 2023	31 Aug 2022*
	Collateral Held £'000	Collateral Held £'000
Equity	9,310	15,892
Bonds	11,886	6,196

* The Fund was launched on 3 December 2021.

The aggregate value of collateral held at the balance sheet date was £21,196,000 (31/08/22: £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 year 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 year 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 288. 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 2023 £'000	31 Aug 2022* £'000
Sterling	582,430	661,928
Euro	138	53
Canadian dollar	10	11
US dollar	2,207	1,712
Total	584,785	663,704

* The Fund was launched on 3 December 2021.

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 £236,000 (31/08/22: £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 £236,000 (31/08/22: £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 £55,953,000 (31/08/22: £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 £55,953,000 (31/08/22: £61,581,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £19,334,000 (31/08/22: £40,236,000) which earn interest by reference to SONIA or international equivalent. This equates to 3.31% of the current Net Asset Value and 6.06% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

16. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	18,689	–	–	5	0.03	82	0.44	18,776
Corporate actions	491	–	–	–	–	–	–	491
Total	19,180	–		5		82		19,267

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	78,032	3	–	–	–	–	–	78,029
Corporate actions	9,506	–	–	–	–	–	–	9,506
Total	87,538	3		–		–		87,535

The Fund had paid £11,679 as commission on purchases and sales derivative transactions for the year ended 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.02%

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
Total	666,991	1		36		61		667,089

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
Total	41,345	1		–		–		41,344

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 0.07% (31/08/22: 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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	559,579	–	–	559,579
Total	559,579	–	–	559,579
Investment liabilities				
Derivatives	(47)	–	–	(47)
Total	(47)	–	–	(47)

As at the period ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	615,350	–	–	615,350
Derivatives	457	–	–	457
Total	615,807	–	–	615,807

Current and prior year Alcentra European Floating Rate Income Fund, Finabl, Gabelli Value Plus Trust, Henderson Alternative Strategies Trust, Home REIT, Intu Properties, Fundsmith Emerging Equities Trust and NMC Health are classified as level 3 assets with nil value.

18. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £590,077,619. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 0.87%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 30/04/23	Distribution paid 30/04/22
Class R Accumulation				
Group 1	1.1450	–	1.1450	0.4890
Group 2	0.8673	0.2777	1.1450	0.4890
Class S Accumulation*				
Group 1	1.1677	–	1.1677	n/a
Group 2	1.1677	0.0000	1.1677	n/a
Class Z Accumulation				
Group 1	1.1197	–	1.1197	0.4703
Group 2	0.6642	0.4555	1.1197	0.4703

Final

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class R Accumulation				
Group 1	2.4797	–	2.4797	2.2911
Group 2	1.0389	1.4408	2.4797	2.2911
Class S Accumulation				
Group 1	2.5287	–	2.5287	0.8254
Group 2	2.5287	0.0000	2.5287	0.8254
Class Z Accumulation				
Group 1	2.4520	–	2.4520	2.2678
Group 2	1.3814	1.0706	2.4520	2.2678

* Class S Accumulation launched on 15 July 2022.

Royal London Sustainable Growth Fund

Manager's Investment Report

Fund performance

12 months to 31 August 2023

	1 year total return %	3 year total return %	5 year total return %
Royal London Sustainable Growth Fund, Class M Accumulation	4.46	–	–
Royal London Sustainable Growth Fund, Class R Accumulation	5.03	–	–
Royal London Sustainable Growth Fund, Class Z Accumulation	4.55	–	–
IA Mixed Investment 40-85% Shares TR	0.44	10.74	15.10

The Fund launched on 24 May 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: Royal London Asset Management Limited and Lipper, as at 31 August 2023. 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.

Performance overview

The Fund outperformed the IA Mixed Investment 40-85% Shares TR during the period under review. Positive stock selection fuelled outperformance, notably in technology and pharmaceutical sectors.

Market overview

Over the past months, equity markets have been remained dominated by interest rates and inflation. Following the emergency support put in during Covid, the global economy has seen a resurgence in inflation, leading major central banks such as the Federal Reserve, European Central Bank and Bank of England to raise rates numerous times.

Equity markets have been focused on the potential end of the rate rising cycle, as well as the possible impact of these rises on global growth and therefore the health of the corporate sector. Most major stock markets produced positive returns over the period in sterling terms, including the US, UK, Europe and Japan. The exception was Asia, where concerns over the health of the Chinese economy meant that both Hong Kong and Chinese indices were lower over the period. In sector terms, technology stocks rose strongly, led by excitement over Artificial Intelligence, more defensive areas such as consumer staples and utilities generally lagged.

The backdrop of rising interest rates and inflation meant that global bond yields, including gilts, increased (and therefore prices fell) significantly over the period. Sterling investment grade credit markets also struggled, but outperformed gilts, as the negative impact of higher gilt yields was mitigated by the higher yield on corporate bonds, as well as the tightening of the credit spreads (the average extra yield available from non-gilt bonds compared with government debt of equal maturity).

Portfolio commentary

Stock picking was the primary driver of the strong performance over the period with positive contribution coming from a wide variety of names. The top contributors during the period included Schneider Electric, Trane Technologies and Novo Nordisk. Schneider Electric is a global leader in electrification, digitalisation and factory automation solutions and continues to benefit as all industries electrify and become more efficient in the face of ongoing inflation related pressures. Trane Technologies is a leader in HVAC systems enabling the decarbonization of buildings and the cold chain. Finally, shares of Danish pharmaceutical company Novo Nordisk gained as it continues to increase the supply of its obesity drug Wegovy.

The key detractors included Thermo Fisher and Edwards Lifesciences as well as bank holdings. US life sciences company Thermo Fisher saw its share price fall as the industry is digesting the strong growth of the last few years and has been facing a weaker biotech funding environment. Medtech provider Edwards Lifesciences saw its share price fall as growth after slowing growth of transcatheter aortic valve product and the position was later sold.

Investment outlook

There is considerable uncertainty about the economic outlook for the remainder of 2023. In the US, the Federal Reserve has continued to raise interest rates in response to high inflation and many investors fear that this could tip the US into recession, although economic indicators remain broadly positive at this stage. The picture is potentially more problematic in the UK where inflation is higher and growth weaker. Europe is somewhere in the middle of these two outcomes. How inflation progresses from here, and how central banks respond, will be a key determinant of near-term returns.

Manager's Investment Report (continued)

Investment outlook – continued

In the long term, we believe that the trend towards sustainability remains a strong one, with all companies we meet with pointing to an acceleration both in recent years and since the start of the Ukraine war. Whilst this may seem counterintuitive given the strong performance of oil, energy security – as well as increased concerns about climate change – are resulting in an acceleration in the demand for renewable energy. Although innovation may be becoming more incremental in the consumer arena, recent developments in AI could reignite interest in technology. Within healthcare, innovation is accelerating as a greater understanding of the immune system as well as genetics, is resulting in a step change in cancer treatments, amongst other areas. The physical economy is also seeing a renaissance after many years of being overshadowed by the digital world. Electrification is a core part of path to a lower carbon economy and will require a significant investment in infrastructure over many years. These trends make us optimistic about the long-term outlook for sustainable investing.

Mike Fox, George Crowdy and Sebastien Beguelin

Fund Managers

Royal London Asset Management Limited

31 August 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available at www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

The views expressed are the authors' 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 Limited, unless otherwise stated.

Comparative Tables

Class M Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22** (p)
Opening net asset value per share	102.40	100.00
Return before operating charges*	5.74	2.61
Operating charges	(0.80)	(0.21)
Return after operating charges*	4.94	2.40
Distributions on accumulation shares	(1.44)	(0.28)
Retained distributions on accumulation shares	1.44	0.28
Closing net asset value per share	107.34	102.40
* after direct transaction costs of:	0.06	0.08
Performance		
Return after charges	4.82%	2.40%
Other information		
Closing net asset value (£'000)	355	10
Closing number of shares	331,028	9,625
Operating charges	0.77%	0.77%
Direct transaction costs	0.06%	0.08%
Prices[^]		
Highest share price	108.50	109.70
Lowest share price	93.81	95.17

** Class M Accumulation launched on 24 May 2022.

Class R Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22** (p)
Opening net asset value per share	102.54	100.00
Return before operating charges*	5.64	2.56
Operating charges	(0.09)	(0.02)
Return after operating charges*	5.55	2.54
Distributions on accumulation shares	(2.01)	(0.43)
Retained distributions on accumulation shares	2.01	0.43
Closing net asset value per share	108.09	102.54
* after direct transaction costs of:	0.06	0.08
Performance		
Return after charges	5.41%	2.54%
Other information		
Closing net asset value (£'000)	108,088	102,539
Closing number of shares	100,000,000	100,000,000
Operating charges	0.09%	0.09%
Direct transaction costs	0.06%	0.08%
Prices[^]		
Highest share price	109.20	109.80
Lowest share price	94.00	95.20

** Class R Accumulation launched on 24 May 2022.

Class Z Accumulation

Change in net assets per share	31/08/23 (p)	31/08/22** (p)
Opening net asset value per share	102.42	100.00
Return before operating charges*	5.71	2.59
Operating charges	(0.63)	(0.17)
Return after operating charges*	5.08	2.42
Distributions on accumulation shares	(1.56)	(0.31)
Retained distributions on accumulation shares	1.56	0.31
Closing net asset value per share	107.50	102.42
* after direct transaction costs of:	0.06	0.08
Performance		
Return after charges	4.96%	2.42%
Other information		
Closing net asset value (£'000)	149	5
Closing number of shares	138,736	5,000
Operating charges	0.62%	0.62%
Direct transaction costs	0.06%	0.08%
Prices[^]		
Highest share price	108.70	109.70
Lowest share price	93.84	95.17

** Class Z Accumulation launched on 24 May 2022.

[^] 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 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equities – 74.79% (31/08/22 – 72.14%)			
Canada – 2.58% (31/08/22 – 0.00%)			
Industrials – 2.58%			
	31,625 Canadian National Railway	2,805	2.58
Total Canada		2,805	2.58
Channel Islands – 2.48% (31/08/22 – 4.19%)			
Consumer Goods – 0.65%			
	8,775 Aptiv	703	0.65
Consumer Services – 1.83%			
	15,612 Ferguson	1,991	1.83
Total Channel Islands		2,694	2.48
Denmark – 1.90% (31/08/22 – 1.79%)			
Healthcare – 1.90%			
	13,994 Novo Nordisk 'B'	2,060	1.90
Total Denmark		2,060	1.90
France – 6.51% (31/08/22 – 4.16%)			
Consumer Goods – 2.22%			
	6,947 L'Oreal	2,415	2.22
Financials – 1.65%			
	35,050 BNP Paribas	1,793	1.65
Industrials – 2.64%			
	21,095 Schneider Electric	2,865	2.64
Total France		7,073	6.51
Germany – 0.45% (31/08/22 – 0.96%)			
Consumer Goods – 0.45%			
	3,062 Adidas	485	0.45
Total Germany		485	0.45
Hong Kong – 2.09% (31/08/22 – 2.14%)			
Financials – 2.09%			
	317,000 AIA	2,270	2.09
Total Hong Kong		2,270	2.09
India – 1.47% (31/08/22 – 0.00%)			
Financials – 1.47%			
	32,582 HDFC Bank ADR	1,602	1.47
Total India		1,602	1.47
Indonesia – 1.29% (31/08/22 – 0.00%)			
Financials – 1.29%			
	4,897,900 Bank Rakyat Indonesia	1,402	1.29
Total Indonesia		1,402	1.29

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Ireland – 4.91% (31/08/22 – 2.86%)			
Basic Materials – 0.98%			
	3,482 New Linde	1,063	0.98
Healthcare – 2.04%			
	12,245 Steris	2,218	2.04
Industrials – 1.89%			
	12,640 Trane Technologies	2,047	1.89
Total Ireland		5,328	4.91
Japan – 0.40% (31/08/22 – 0.00%)			
Consumer Goods – 0.40%			
	3,700 Shimano	429	0.40
Total Japan		429	0.40
Netherlands – 3.86% (31/08/22 – 3.20%)			
Basic Materials – 1.98%			
	19,750 IMCD Group	2,150	1.98
Technology – 1.88%			
	3,914 ASML Holding	2,038	1.88
Total Netherlands		4,188	3.86
Switzerland – 2.74% (31/08/22 – 3.98%)			
Basic Materials – 0.98%			
	4,778 Sika	1,069	0.98
Industrials – 1.76%			
	18,267 TE Connectivity	1,908	1.76
Total Switzerland		2,977	2.74
Taiwan – 2.20% (31/08/22 – 1.98%)			
Technology – 2.20%			
	32,328 Taiwan Semiconductor Manufacturing ADR	2,386	2.20
Total Taiwan		2,386	2.20
United Kingdom – 14.11% (31/08/22 – 10.51%)			
Consumer Goods – 1.40%			
	37,509 Unilever	1,516	1.40
Consumer Services – 1.94%			
	105,904 Compass Group	2,111	1.94
Financials – 4.13%			
	30,170 London Stock Exchange	2,466	2.27
	283,645 Standard Chartered	2,018	1.86
Healthcare – 2.60%			
	26,439 AstraZeneca	2,818	2.60
Industrials – 2.17%			
	24,972 Experian	690	0.64
	277,274 Rentokil Initial	1,665	1.53
Utilities – 1.87%			
	125,125 SSE	2,035	1.87
Total United Kingdom		15,319	14.11

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
United States – 27.80% (31/08/22 – 36.37%)			
Consumer Services – 0.97%			
	974 MercadoLibre	1,054	0.97
Financials – 3.13%			
	17,505 Visa 'A'	3,396	3.13
Healthcare – 6.03%			
	3,639 Intuitive Surgical	898	0.83
	9,406 IQVIA Holding	1,651	1.52
	3,864 Stryker	865	0.79
	7,135 Thermo Fisher Scientific	3,136	2.89
Industrials – 5.39%			
	917 AGCO Holdings	94	0.08
	16,461 Agilent Technologies	1,572	1.45
	11,575 Nordson Corporation	2,230	2.05
	22,131 Wabtec Corporation	1,965	1.81
Technology – 12.28%			
	5,093 Adobe	2,248	2.07
	29,273 Alphabet 'A'	3,145	2.90
	5,744 Autodesk	1,005	0.93
	2,528 Intuit	1,081	0.99
	12,932 Microsoft	3,345	3.08
	18,902 Texas Instruments	2,506	2.31
Total United States		30,191	27.80
Bonds – 23.23% (31/08/22 – 25.51%)			
Australia – 0.23% (31/08/22 – 0.25%)			
Corporate Bonds – 0.23%			
	£300,000 National Australia Bank 1.699% variable 15/9/2031	252	0.23
Total Australia		252	0.23
Cayman Islands – 0.50% (31/08/22 – 0.59%)			
Corporate Bonds – 0.50%			
	£200,000 Lunar Funding 5.75% 18/10/2033	199	0.18
	£100,000 Phoenix Group 5.625% 28/4/2031	88	0.08
	£270,000 South East Water 5.5834% 29/3/2029	256	0.24
Total Cayman Islands		543	0.50
Channel Islands – 0.88% (31/08/22 – 1.00%)			
Corporate Bonds – 0.88%			
	£170,000 AA Bond 6.269% 2/7/2043	166	0.15
	£125,000 CPUK Finance 3.588% 28/2/2042	117	0.11
	£400,000 HSBC 5.844% variable perpetual	397	0.36
	£300,000 Porterbrook Rail Finance 4.625% 4/4/2029	277	0.26
Total Channel Islands		957	0.88
Denmark – 0.09% (31/08/22 – 0.00%)			
Corporate Bonds – 0.09%			
	£101,000 Orsted AS 5.125% 13/9/2034	95	0.09
Total Denmark		95	0.09
Finland – 0.13% (31/08/22 – 0.14%)			
Corporate Bonds – 0.13%			
	£155,000 OP Corporate Bank 3.375% 14/1/2026	146	0.13
Total Finland		146	0.13

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
France – 1.25% (31/08/22 – 0.89%)			
Corporate Bonds – 1.25%			
	£200,000 AXA 6.6862% variable perpetual	197	0.18
	£300,000 BNP Paribas 2% variable 24/5/2031	258	0.24
	£200,000 BNP Paribas 2.875% 24/2/2029	168	0.16
	£200,000 BPCE 2.5% variable 30/11/2032	163	0.15
	£200,000 Credit Agricole 4.875% 23/10/2029	189	0.17
	£200,000 Credit Agricole 5.75% variable 29/11/2027	196	0.18
	£200,000 Credit Agricole 7.5% variable perpetual	189	0.17
Total France		1,360	1.25
Ireland – 0.53% (31/08/22 – 0.82%)			
Corporate Bonds – 0.37%			
	£170,000 Freshwater Finance 4.556% 3/4/2036	141	0.13
	£176,000 Freshwater Finance 5.182% 20/4/2035	163	0.15
	£112,000 Zurich Finance 5.125% variable 23/11/2052	99	0.09
Commercial Mortgage Backed Securities – 0.16%			
	£100,000 Deco 2019-RAM DAC FRN 7/8/2030 ⁻	33	0.03
	£142,000 Frost CMBS 2021 1 DAC FRN 22/11/2026 ⁻	137	0.13
Total Ireland		573	0.53
Japan – 0.31% (31/08/22 – 0.21%)			
Corporate Bonds – 0.31%			
	£200,000 East Japan Railway 5.25% 22/4/2033	197	0.18
	£139,000 Mizuho Financial 5.628% 13/6/2028	136	0.13
Total Japan		333	0.31
Netherlands – 0.52% (31/08/22 – 0.38%)			
Corporate Bonds – 0.52%			
	£200,000 ING Groep NV 5% variable 30/8/2026	195	0.18
	£200,000 ING Groep NV 6.25% variable 20/5/2033	189	0.17
	£200,000 Rabobank Nederland 4.625% 23/5/2029	180	0.17
Total Netherlands		564	0.52
Sweden – 0.17% (31/08/22 – 0.18%)			
Corporate Bonds – 0.17%			
	£100,000 Akelius Residential Property 2.375% 15/8/2025	91	0.09
	£100,000 Svenska Handelsbanken 4.625% variable 23/8/2032	91	0.08
Total Sweden		182	0.17
United Kingdom – 17.54% (31/08/22 – 20.14%)			
Corporate Bonds – 17.10%			
	£250,000 3i Group 5.75% 3/12/2032	246	0.23
	£200,000 Affinity Water Finance 2004 5.875% 13/7/2026	199	0.18
	£100,000 Anglian Water Services Financing 6% 20/6/2039	100	0.09
	£150,000 Annington Funding 3.685% 12/7/2034	115	0.11
	£100,000 Annington Funding 3.935% 12/7/2047	70	0.06
	£100,000 Annington Funding 4.75% 9/8/2033	85	0.08
	£100,000 Arqiva Financing 7.21% 30/6/2045	102	0.09
	£350,000 Aviva 6.125% variable 14/11/2036	345	0.32
	£150,000 Aviva 6.875% variable 20/5/2058	145	0.13
	£114,000 Bazalgette Finance 2.375% 29/11/2027	99	0.09
	£100,000 Bazalgette Finance 2.75% 10/3/2034	75	0.07
	£150,000 BBC Pacific Quay Finance 5.5653% 25/7/2034	111	0.10
	£101,000 Blend Funding 3.508% 4/5/2059	68	0.06
	£100,000 British Land 5.357% 31/3/2028	95	0.09
	£200,000 Broadgate Finance 4.821% 5/7/2036	185	0.17
	£100,000 BUPA Finance 4.125% 14/6/2035	75	0.07

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
United Kingdom – 17.54% (31/08/22 – 20.14%) – continued							
Corporate Bonds – 17.10% – continued							
£100,000	Close Brothers Finance 1.625% 3/12/2030	70	0.06	£200,000	Places for People Homes 6.625% 30/9/2038	149	0.14
£100,000	Close Brothers Group 7.75% 14/6/2028	101	0.09	£100,000	Poplar Housing & Regeneration Community 4.843% 30/9/2043	84	0.08
£300,000	Community Finance 5.017% 31/7/2034	286	0.26	£150,000	Principality Building Society 8.625% 12/7/2028	155	0.14
£299,000	Dignity Finance 3.5456% 31/12/2034	170	0.16	£200,000	Prudential 6.125% 19/12/2031	196	0.18
£200,000	Direct Line Insurance 4% 5/6/2032	144	0.13	£100,000	Reassure Group 5.867% 13/6/2029	92	0.08
£100,000	ENW Finance 4.893% 24/11/2032	94	0.09	£100,000	Rentokil Initial 5% 27/6/2032	94	0.09
£250,000	Equity Release Funding No.3 5.05% 26/4/2033	221	0.20	£200,000	Rothesay Life 6.875% variable perpetual	166	0.15
£200,000	Eskmuir Group Finance 4.255% 12/12/2047-	117	0.11	£100,000	Rothesay Life 7.734% 16/5/2033	97	0.09
£127,000	Eversholt Funding 2.742% 30/6/2040	86	0.08	£200,000	RSA Insurance 5.125% variable 10/10/2045	191	0.18
£100,000	Eversholt Funding 3.529% 7/8/2042	72	0.07	£152,000	Sage 2.875% 8/2/2034	117	0.11
£218,000	Eversholt Funding 6.697% 22/2/2035	181	0.17	£147,000	Santander UK 7.098% variable 16/11/2027	147	0.14
£301,000	Exchequer Partnership 5.396% 13/7/2036	214	0.20	£100,000	Santander UK 7.482% variable 29/08/2029	102	0.09
£100,000	Experian Finance 3.25% 7/4/2032	84	0.08	£150,000	Saxon Weald Capital 5.375% 6/6/2042	140	0.13
£250,000	GB Social Housing 5.193% 12/2/2038	230	0.21	£100,000	Scottish Power 6.375% Step 31/5/2041	103	0.09
£100,000	Genfinance II 6.064% 21/12/2039	101	0.09	£200,000	Scottish Widows 7% 16/6/2043	194	0.18
£78,260	Great Portland Estates 5.625% 31/1/2029	76	0.07	£170,000	Severn Trent 6.25% 7/6/2029	171	0.16
£250,000	Great Rolling Stock 6.5% 5/4/2031	186	0.17	£100,000	Severn Trent Utilities Finance 5.25% 4/4/2036	94	0.09
£100,000	Great Rolling Stock 6.875% 27/7/2035	55	0.05	£350,000	South West Water 5.875% 16/7/2040	323	0.30
£216,000	Greater Gabbard OFTO 4.137% 29/11/2032	134	0.12	£230,000	Southern Electric Power Distribution 5.5% 7/6/2032	228	0.21
£100,000	GreenSquareAccord 5.25% 30/11/2047	90	0.08	£100,000	Southern Housing Group 2.375% 8/10/2036	68	0.06
£250,000	Grosvenor UK Finance 6.5% 29/9/2026	254	0.23	£100,000	SSE 3.74% variable perpetual	91	0.08
£140,000	Gwynt y Môr OFTO 2.778% 17/2/2034	81	0.08	£100,000	St. James Oncology Financing 2.804% 31/3/2037	61	0.06
£100,000	Harbour Funding 5.28% 31/3/2044	95	0.09	£200,000	Swan Housing Capital 3.625% 5/3/2048	142	0.13
£100,000	Hexagon Housing Association 3.625% 22/4/2048	67	0.06	£250,000	TC Dudgeon OFTO 3.158% 12/11/2038	183	0.17
£100,000	Home Group 3.125% 27/3/2043	67	0.06	£200,000	Telereal Secured Finance 4.01% 10/12/2033	100	0.09
£310,000	Housing and Care 3.288% 8/11/2049	207	0.19	£200,000	Telereal Securitisation 1.3657% 10/12/2033	123	0.11
£186,548	Housing Finance 8.625% 13/11/2023	187	0.17	£113,600	Telereal Securitisation 3.5625% 10/12/2036	96	0.09
£200,000	HSBC 8.201% variable 16/11/2034	206	0.19	£113,600	Telereal Securitisation 3.5625% 10/12/2036	96	0.09
£127,000	International Finance Facility for Immunisation 2.75% 7/6/2025	121	0.11	£400,000	Telereal Securitisation 4.9741% 10/12/2033	163	0.15
£542,000	Investec 1.875% variable 16/7/2028	438	0.40	£200,000	Telereal Securitisation 6.1645% 10/12/2033	166	0.15
£200,000	Investec 2.625% variable 4/1/2032	162	0.15	£100,000	Thames Water Kemble Finance 4.625% 19/5/2026	67	0.06
£100,000	Investec 9.125% variable 6/3/2033	101	0.09	£100,000	Thames Water Utilities 4% 19/6/2025	93	0.09
£200,000	Just Group 7% variable 15/4/2031	192	0.18	£150,000	Thames Water Utilities Finance 7.738% 9/4/2058	161	0.15
£100,000	Land Securities Capital Markets 1.974% 8/2/2026	98	0.09	£101,000	THFC Funding No. 3 5.2% 11/10/2043	93	0.09
£300,000	Leeds Building Society 3.75% variable 25/4/2029	259	0.24	£125,000	Uliving@essex3 LLP NEW ISSUE 2.72% 31/8/2066 FIX-	72	0.07
£241,000	Legal & General 5.5% variable 27/6/2064	217	0.20	£200,000	University of Oxford 2.544% 8/12/2117	101	0.09
£100,000	Lloyds Bank 0% Step 22/3/2032	62	0.06	£200,000	UPP Bond Issuer 4.9023% 28/2/2040	149	0.14
£200,000	Lloyds Banking Group 2.707% variable 3/12/2035	147	0.14	£200,000	Virgin Money 3.375% variable 24/4/2026	187	0.17
£500,000	Longstone Finance 4.791% 19/4/2036	181	0.17	£300,000	Virgin Money 5.125% variable 11/12/2030	278	0.26
£600,000	M&G 5.7% variable 19/12/2063	518	0.48	£100,000	Virgin Money 7.625% variable 23/8/2029	101	0.09
£155,000	M&G 6.25% variable 20/10/2068	131	0.12	£200,000	Wessex Water Services 1.5% 17/9/2029	153	0.14
£350,000	Meadowhall Finance 4.986% 12/1/2032	161	0.15	£100,000	Wessex Water Services 5.125% 31/10/2032	93	0.09
£157,000	MIELI London 4.82% 12/8/2027-	141	0.13	£179,000	Western Power Distribution 5.75% 16/4/2032	177	0.16
£170,000	Morhomes 3.4% 19/2/2040	128	0.12	£98,000	Western Power Distribution 5.875% 25/3/2027	98	0.09
£200,000	National Express 4.25% variable perpetual	174	0.16	£200,000	Westfield Stratford City Finance 1.642% 4/8/2031	173	0.16
£200,000	NatWest 3.619% variable 29/3/2029	176	0.16	£250,000	Wods Transmission 3.446% 24/8/2034	158	0.15
£100,000	NatWest 7.416% variable 6/6/2033	98	0.09	£200,000	Yorkshire Building Society 3.375% variable 13/9/2028	170	0.16
£104,000	NatWest Markets 6.375% 8/11/2027	104	0.10	£160,000	Yorkshire Building Society 6.375% variable 15/11/2028	156	0.14
£200,000	NGG Finance 5.625% variable 18/6/2073	190	0.17	£100,000	Yorkshire Water Finance 1.75% 27/10/2032	70	0.06
£100,000	NIE Finance 5.875% 1/12/2032	100	0.09	£100,000	Yorkshire Water Finance 5.5% 28/4/2035	93	0.09
£100,000	Northern Powergrid Northeast 3.25% 1/4/2052	67	0.06	£125,000	Yorkshire Water Services 6.454% 28/5/2027	124	0.11
£180,000	Northumbrian Water Finance 2.375% 5/10/2027	155	0.14	Commercial Mortgage Backed Securities – 0.44%			
£100,000	Northumbrian Water Finance 6.375% 28/10/2034	100	0.09	£150,000	Castell 2020-1 FRN 25/3/2053-	33	0.03
£150,000	Notting Hill Housing Trust 3.25% 12/10/2048	98	0.09	£320,000	Finance for Residence Social Housing 'A1' 8.369% 4/10/2058-	233	0.21
£179,000	OSB Group 9.5% variable 7/9/2028	179	0.17	£110,000	Income Contingent Student Loan 2.5% 24/7/2056	58	0.05
£148,000	OSB Group 9.993% variable 27/7/2033	144	0.13	£259,000	Income Contingent Student Loan 2.5% 24/7/2058	142	0.13
£100,000	Orbit Capital 2% 24/11/2038	61	0.06	£330,000	Income Contingent Student Loan FRN 24/7/2056	19	0.02
£150,000	Peabody Capital 5.25% 17/3/2043	139	0.13	Total United Kingdom			
£100,000	Peabody Capital No Two 2.75% 2/3/2034	76	0.07			19,053	17.54
£200,000	Penarian Housing Finance 3.212% 7/6/2052	133	0.12				
£400,000	Pension Insurance 3.625% 21/10/2032	295	0.27				
£150,000	Places for People Homes 3.625% 22/11/2028	134	0.12				
£200,000	Places for People Homes 5.09% 31/7/2043	198	0.18				

Portfolio Statement (continued)

As at 31 August 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
United States – 1.08% (31/08/22 – 0.91%)			
Corporate Bonds – 1.08%			
£150,000	AT&T 7% 30/4/2040	156	0.14
£100,000	Fidelity National Information Services 3.36% 21/5/2031	84	0.08
£100,000	Metropolitan Life Global Funding 0.625% 8/12/2027	81	0.07
£149,000	Metropolitan Life Global Funding 4.125% 2/9/2025	144	0.13
£100,000	Metropolitan Life Global Funding 5% 10/1/2030	96	0.09
£112,000	Morgan Stanley 5.789% variable 18/11/2033	109	0.10
£137,000	New York Life Global Funding 0.75% 14/12/2028	108	0.10
£271,000	Protective Life Global Funding 5.248% 1 3/1/2028	263	0.24
£150,000	Welltower 4.8% 20/11/2028	139	0.13
Total United States		1,180	1.08
Total value of investments		106,447	98.02
Net other assets		2,145	1.98
Total net assets		108,592	100.00

~ 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 2023

Significant Purchases

	Cost £'000
Canadian National Railway	3,220
Compass Group	2,041
BNP Paribas	1,861
Standard Chartered	1,818
HDFC Bank ADR	1,761
Unilever	1,587
Bank Rakyat Indonesia	1,216
Steris	1,086
New Linde Plc	1,037
Alphabet 'A'	872
Subtotal	16,499
Total cost of purchases, including the above, for the year	29,087

Significant Sales

	Proceeds £'000
CSX	2,528
Croda International	1,498
Experian	1,307
Edwards Lifesciences	1,114
Lonza	899
Segro	810
Ball Corporation	809
Intuitive Surgical	800
Nvidia	772
Adobe	750
Subtotal	11,287
Total proceeds from sales, including the above, for the year	26,329

Financial Statements

Statement of Total Return

For the year ended 31 August 2023

	Note	31 Aug 2023		31 Aug 2022*	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		3,461		2,112
Revenue	3	2,509		520	
Expenses	4	(95)		(25)	
Net revenue before taxation		2,414		495	
Taxation	5	(322)		(68)	
Net revenue after taxation			2,092		427
Total return before distributions			5,553		2,539
Distributions	6	(2,010)		(427)	
Change in net assets attributable to shareholders from investment activities			3,543		2,112

Balance Sheet

As at 31 August 2023

	Note	31 Aug 2023		31 Aug 2022*	
		£'000	£'000	£'000	£'000
Assets					
Investments			106,447		100,144
Current assets:					
Debtors	7		786		838
Cash and bank balances	8		1,597		1,900
Total assets			108,830		102,882
Liabilities					
Other creditors	9		238		328
Total liabilities			238		328
Net assets attributable to shareholders			108,592		102,554

* The Fund was launched on 24 May 2022.

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 August 2023

	31 Aug 2023		31 Aug 2022*	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		102,554		-
Amounts receivable on creation of shares	487		100,015	
Amounts payable on cancellation of shares	(5)		-	
		482		100,015
Change in net assets attributable to shareholders from investment activities		3,543		2,112
Retained distribution on accumulation shares		2,013		427
Closing net assets attributable to shareholders		108,592		102,554

Notes to the Financial Statements

For the year ended 31 August 2023

1. Accounting policies

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

2. Net capital gains

	31 Aug 2023 £'000	31 Aug 2022* £'000
The net capital gains during the year comprise:		
Non-derivative securities	3,564	2,206
Currency losses	(103)	(94)
Net capital gains	3,461	2,112

3. Revenue

	31 Aug 2023 £'000	31 Aug 2022* £'000
UK dividends	292	100
Overseas dividends	865	138
Interest on debt securities	1,193	275
Bank interest	77	7
Stock dividends	82	–
Total revenue	2,509	520

4. Expenses

	31 Aug 2023 £'000	31 Aug 2022* £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee*	94	25
Other expenses:		
Revenue collection expenses**	1	–
Total expenses	95	25

* Audit fee £14,008 (31/08/22: £13,340) 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 2023 £'000	31 Aug 2022* £'000
Corporation tax	235	51
Irrecoverable overseas tax	85	17
Reclaimable tax written off	2	–
Current tax charge for the year	322	68

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/08/22: 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 2023 £'000	31 Aug 2022* £'000
Net revenue before taxation	2,414	495
Corporation tax at 20% (31/08/22: 20%)	483	99
Effects of:		
Revenue not subject to taxation	(248)	(48)
Irrecoverable overseas tax	85	17
Reclaimable tax written off	2	–
Current tax charge for the year	322	68

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 was launched on 24 May 2022.

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 2023 £'000	31 Aug 2022* £'000
Accumulation shares		
Interim	756	–
Final	1,257	427
	2,013	427
Deduct: Amounts received on the creation of shares	(3)	–
Net distributions for the year	2,010	427

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

	31 Aug 2023 £'000	31 Aug 2022* £'000
Net revenue after taxation	2,092	427
Stock dividend charged to capital	(82)	–
Net distributions for the year	2,010	427

Details of the distribution per share are set out on page 310.

7. Debtors

	31 Aug 2023 £'000	31 Aug 2022* £'000
Amounts receivable on creation of shares	52	–
Sales awaiting settlement	77	316
Accrued revenue	632	521
Overseas withholding tax recoverable	25	1
Total debtors	786	838

8. Cash and bank balances

	31 Aug 2023 £'000	31 Aug 2022* £'000
Cash and bank balances	1,597	1,900
Total cash and bank balances	1,597	1,900

9. Other creditors

	31 Aug 2023 £'000	31 Aug 2022* £'000
Purchases awaiting settlement	179	267
Foreign exchange purchases awaiting settlement	–	1
Accrued expenses	9	8
Corporation tax payable	50	52
Total other creditors	238	328

* The Fund was launched on 24 May 2022.

10. Reconciliation of number of shares

	Class M Accumulation	Class R Accumulation
Opening shares at 01/09/22	9,625	100,000,000
Shares issued	326,324	–
Shares cancelled	(4,921)	–
Closing shares at 31/08/23	331,028	100,000,000

	Class Z Accumulation
Opening shares at 01/09/22	5,000
Shares issued	133,736
Shares cancelled	–
Closing shares at 31/08/23	138,736

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 (31/08/22: same).

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

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 £43,000 (due to 31/08/22: £8,000).

At the year end, 31 August 2023, 99.53% (31/08/22: 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.

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 303. 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 2023 £'000	31 Aug 2022* £'000
Sterling	42,058	40,281
Canadian dollar	2,814	–
Danish krone	2,169	1,841
Euro	12,170	9,012
Hong Kong dollar	2,270	2,208
Indonesian rupiah	1,402	–
Japanese yen	429	–
Swiss franc	1,082	2,177
US dollar	44,198	47,035
Total	108,592	102,554

* The Fund was launched on 24 May 2022.

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 £6,653,000 (31/08/22: £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 £6,653,000 (31/08/22: £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 £10,645,000 (31/08/22: £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 £10,645,000 (31/08/22: £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 2023 compared to the previous year end was:

Currency	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31 Aug 2023				
Sterling	9,231	17,106	15,959	42,296
Canadian dollar	9	–	2,805	2,814
Danish krone	105	–	2,064	2,169
Euro	327	–	11,843	12,170
Hong Kong dollar	–	–	2,270	2,270
Indonesian rupiah	–	–	1,402	1,402
Japanese yen	–	–	429	429
Swiss franc	13	–	1,069	1,082
US dollar	44	–	44,154	44,198
Total	9,729	17,106	81,995	108,830
31 Aug 2022				
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
Total	9,203	18,859	74,820	102,882

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

13. Risk disclosures – continued

Interest rate risk profile of financial assets and financial liabilities – continued

Currency	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31 Aug 2023			
Sterling	–	(238)	(238)
Total	–	(238)	(238)
31 Aug 2022			
Sterling	–	(208)	(208)
US dollar	–	(120)	(120)
Total	–	(328)	(328)

Based on 2022 Bank of England interest rate increases, if the coupon rate of floating rate instruments was to change by 3%, the income attributable to these investments at the year end 31/08/23, would change by £7,000 (31/08/22: £25,000). Another possible scenario would be if the coupon rate of floating rate instruments was to change by 1% in the future, the income attributable to these investments at the year end 31/08/23, would change by £2,000 (31/08/22: £8,000).

A change of 3% in the prevailing interest rates would result in a change of 4.10% (31/08/22: 5.33%) to the value of the Fund. Another possible scenario would be if a change of 1% in the prevailing interest rates would result in a change of 1.37% (31/08/22: 1.77%) 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.

Credit breakdown*	31 Aug 2023		31 Aug 2022**	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Investments of investment grade	22,240	20.48	23,172	22.60
Investments of below investment grade	241	0.22	267	0.26
Unrated bonds	2,757	2.53	2,723	2.65
Total bonds	25,238	23.23	26,162	25.51
Equities	81,209	74.78	73,982	72.14
Investments as shown in the balance sheet	106,447	98.01	100,144	97.65

* Ratings supplied by S&P, followed by Moody's.

** The Fund was launched on 24 May 2022.

Notes to the Financial Statements (continued)

For the year ended 31 August 2023

14. Portfolio transaction costs

For the year ended 31 August 2023

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	23,431	10	0.04	33	0.14	9	0.04	23,483
Bond transactions	5,604	–	–	–	–	–	–	5,604
Total	29,035	10		33		9		29,087

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	21,548	10	0.05	–	–	–	–	21,538
Bond transactions	2,842	–	–	–	–	–	–	2,842
Corporate actions	1,949	–	–	–	–	–	–	1,949
Total	26,339	10		–		–		26,329

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year 31/08/23.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.03%
Other expenses	0.01%

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
Total	102,016	9		69		–		102,094

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
Total	4,135	2		–		–		4,133

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 0.22% (31/08/22: 0.24%).

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 2023

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 2023

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	81,209	–	–	81,209
Bonds	–	24,472	766	25,238
Total	81,209	24,472	766	106,447

As at the period ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Equities	73,982	–	–	73,982
Bonds	–	25,518	644	26,162
Total	73,982	25,518	644	100,144

At the current year end, the level 3 assets held were the following debt securities: Deco 2019-RAM DAC FRN 7/8/2030, Frost CMBS 2021 1 DAC FRN 22/11/2026 and Castell 2020-1 FRN 25/3/2053. Their prices are based on limited broker quotes. Finance for Residence Social Housing 'A1' 8.369% 4/10/2058 and MIELI London 4.82% 12/08/2027 prices are based on Bloomberg model prices which are derived from spreads using comparable bonds. Uliving@essex3 LLP NEW ISSUE 2.72% 31/8/2066 FIX price is based on a single broker quote at the last valuation point.

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.

At the prior year 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.

16. Events after the balance sheet date

Subsequent to the Fund's year end, 31 August 2023, factors such as inflation and the Ukraine situation could cause the Fund to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have been classified as a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2023 was £110,675,393. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2023 and the date of which the financial statements were authorised for issue was 1.81%.

There have been no significant redemptions during this period.

Distribution Tables

For the year ended 31 August 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 September 2022

Group 2: Shares purchased between 1 September 2022 and 28 February 2023

	Net income	Equalisation	Distribution paid 28/04/23*
Class M Accumulation			
Group 1	0.4842	–	0.4842
Group 2	0.2078	0.2764	0.4842
Class R Accumulation			
Group 1	0.7563	–	0.7563
Group 2	0.7563	0.0000	0.7563
Class Z Accumulation			
Group 1	0.5405	–	0.5405
Group 2	0.5405	0.0000	0.5405

* The Fund was launched on 24 May 2022, hence there are no comparatives.

Final

Group 1: Shares purchased prior to 1 March 2023

Group 2: Shares purchased between 1 March 2023 and 31 August 2023

	Net income	Equalisation	Distribution payable 31/10/23	Distribution paid 31/10/22
Class M Accumulation				
Group 1	0.9587	–	0.9587	0.2793
Group 2	0.2139	0.7448	0.9587	0.2793
Class R Accumulation				
Group 1	1.2520	–	1.2520	0.4269
Group 2	1.2520	0.0000	1.2520	0.4269
Class Z Accumulation				
Group 1	1.0215	–	1.0215	0.3102
Group 2	0.2852	0.7363	1.0215	0.3102

Fact File

Constitution

Royal London UK Mid Cap Growth Fund

Launch date	30 October 2009		
Accounting end dates	31 August (final) Last day of February (interim)		
Distribution dates	31 October (final)		
Minimum investment	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)	
Management charges:	Initial	Class M	nil
		Class N	nil
		Class R	nil
		Class Z	nil
	Annual	Class M	0.77%
		Class N	0.70%
		Class R	0.06%
		Class Z	0.62%

Royal London Japan Equity Tilt Fund

Launch date	26 February 2010		
Accounting end dates	31 August (final) Last day of February (interim)		
Distribution dates	31 October (final) 30 April (interim)		
Minimum investment	Class P	n/a	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class P	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	Class P	0.17%
		Class R	0.05%
		Class S	0.05%
		Class Z	0.14%

Royal London UK Opportunities Fund

Launch date	30 October 2009		
Accounting end dates	31 August (final) Last day of February (interim)		
Distribution dates	31 October (final)		
Minimum investment	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)	
Management charges:	Initial	Class C	nil
		Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	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

Launch date	26 February 2010		
Accounting end dates	31 August (final) Last day of February (interim)		
Distribution dates	31 October (final) 30 April (interim)		
Minimum investment	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)	
Management charges:	Initial	Class P	nil
		Class R	nil
		Class Z Acc	nil
		Class Z Inc	nil
	Annual	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 US Equity Tilt Fund**

Launch date	26 February 2010		
Accounting end dates	31 August (final)		
	Last day of February (interim)		
Distribution dates	31 October (final)		
Minimum investment	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)	
Management charges:	Initial	Class P	nil
		Class R	nil
		Class S	nil
		Class X	nil
		Class Z	nil
	Annual	Class P	0.11%
		Class R	0.04%
		Class S	0.05%
		Class X	0.07%
		Class Z	0.14%

Royal London UK Dividend Growth Fund

Launch date	30 April 2010		
Accounting end dates	31 August (final)		
	Last day of February (interim)		
Distribution dates	31 October (final)		
	31 January (interim)		
	30 April (interim)		
	31 July (interim)		
Minimum investment	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)	
Management charges:	Initial	Class A	nil
		Class M	nil
		Class R	nil
		Class Z	nil
	Annual	Class A	1.15%
		Class M	0.71%
		Class R	0.03%
		Class Z	0.58%

Royal London European Growth Fund

Launch date	30 April 2010		
Accounting end dates	31 August (final)		
	Last day of February (interim)		
Distribution dates	31 October (final)		
	30 April (interim)		
Minimum investment	Class A	£1,000 (thereafter £100)	
	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
Management charges:	Initial	Class A	nil
		Class M	nil
		Class R	nil
	Annual	Class A	1.10%
		Class M	0.70%
		Class R	0.05%

Fact File (continued)**Constitution** (continued)**Royal London UK Equity Income Fund**

Launch date	05 November 2010		
Accounting end dates	31 August (final)		
	Last day of February (interim)		
Distribution dates	31 October (final)		
	31 January (interim)		
	30 April (interim)		
	31 July (interim)		
Minimum investment	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)	
Management charges:	Initial	Class A	nil
		Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	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

Launch date	05 November 2010		
Accounting end dates	31 August (final)		
	Last day of February (interim)		
Distribution dates	31 October (final)		
	30 April (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
	Annual	Class M	0.67%
		Class R	0.04%
		Class S	0.04%

Royal London UK Smaller Companies Fund

Launch date	05 November 2010		
Accounting end dates	31 August (final)		
	Last day of February (interim)		
Distribution dates	31 October (final)		
	30 April (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class N	£5,000,000 (thereafter £50,000)	
	Class R	n/a	
Management charges:	Initial	Class M	nil
		Class N	nil
		Class R	nil
	Annual	Class M	0.77%
		Class N	0.70%
		Class R	0.04%

Royal London Asia Pacific ex Japan Tilt Fund

Launch date	05 November 2010		
Accounting end dates	31 August (final)		
	Last day of February (interim)		
Distribution dates	31 October (final)		
	30 April (interim)		
Minimum investment	Class P	n/a	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class P	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	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**

Launch date	04 June 2013		
Accounting end dates	31 August (final) Last day of February (interim)		
Distribution dates	31 October (final) 30 April (interim)		
Minimum investment	Class P	n/a	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class P	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	Class P	0.20%
		Class R	0.06%
		Class S	0.06%
		Class Z	0.14%

Royal London Global Equity Diversified Fund

Launch date	10 October 2017		
Accounting end dates	31 August (final) Last day of February (interim)		
Distribution dates	31 October (final) 30 April (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	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

Launch date	12 June 2017		
Accounting end dates	31 August (final) Last day of February (interim)		
Distribution dates	31 October (final)		
Minimum investment	Class P	n/a	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class P	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	Class P	0.32%
		Class R	0.10%
		Class S	0.10%
		Class Z	0.25%

Royal London Global Equity Select Fund

Launch date	10 October 2017		
Accounting end dates	31 August (final) Last day of February (interim)		
Distribution dates	31 October (final) 30 April (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	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**

Launch date	25 February 2020		
Accounting end dates	31 August (final)		
	Last day of February (interim)		
Distribution dates	31 October (final)		
	31 January (interim)		
	30 April (interim)		
	31 July (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class V	£25,000,000 (thereafter £50,000)	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
		Class V	nil
		Class Z	nil
	Annual	Class M	0.72%
		Class R	0.09%
		Class S	0.09%
		Class V	0.35%
		Class Z	0.56%

Royal London Global Sustainable Equity Fund

Launch date	25 February 2020		
Accounting end dates	31 August (final)		
	Last day of February (interim)		
Distribution dates	31 October (final)		
	30 April (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
		Annual	Class M
	Class R		0.11%
	Class S		0.11%
	Class Z		0.57%

Royal London UK Broad Equity Tilt Fund

Launch date	03 December 2021		
Accounting end dates	31 August (final)		
	Last day of February (interim)		
Distribution dates	31 October (final)		
	30 April (interim)		
Minimum investment	Class P	n/a	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class P	nil
		Class R	nil
		Class S	nil
		Class Z	nil
		Annual	Class P
	Class R		0.05%
	Class S		0.05%
	Class Z		0.11%

Fact File (continued)**Constitution** (continued)**Royal London Sustainable Growth Fund**

Launch date	24 May 2022		
Accounting end dates	31 August (final)		
	Last day of February (interim)		
Distribution dates	31 October (final)		
	30 April (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class Z	nil
	Annual	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 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.

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.

Fact File (continued)

Investment Objective and Policies (continued)

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.

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.

Fact File (continued)

Investment Objective and Policies (continued)

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.

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.

Fact File (continued)

Investment Objective and Policies (continued)

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 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 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.

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 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 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.

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.

Fact File (continued)

Investment Objective and Policies (continued)

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.

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.

Fact File (continued)

Investment Objective and Policies (continued)

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.

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 2023 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	9.57%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£32,491,071	9.19%

* 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 1.2% 20/12/2034	527,600,000	3,000
US Treasury 0.5% 30/4/2027	4,361,200	2,995
US Treasury 4.25% 15/11/2040	3,779,900	2,995
BE Semiconductor Industries	18,155	1,667
Covestro	39,493	1,667
RWE	51,001	1,667
Akzo Nobel	23,304	1,501
Otsuka	36,500	1,097
Canon	56,400	1,097
Tesla Motors	5,405	1,096

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	15,612
Natixis	10,407
Macquarie Bank	3,540
Morgan Stanley & Co International	2,153
UBS	425
HSBC	354
	32,491

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	21,987
Bonds	Investment grade	12,530
		34,517

* 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	34,517
	34,517

Currency of collateral

Currency	Fair value £'000
Sterling	2,669
Euro	9,845
Hong Kong dollar	4,046
Japanese yen	7,594
Swiss franc	1,088
US dollar	9,275
	34,517

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	32,491
	32,491

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	30	
Agents fee	(6)	20.00%
Fund net return	24	80.00%

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	10.58%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£40,885,576	10.34%

* 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 0.7% 20/6/2048	366,650,000	1,665
US Treasury 5.613% 31/1/2025	2,100,900	1,662
US Treasury 4.375% 15/11/2039	2,052,600	1,662
Suzuki Motor	47,400	1,474
Nippon Steel	78,800	1,472
Alibaba	160,527	1,457
Japan Tobacco	84,200	1,456
Tencent Holdings	44,372	1,451
Veolia Environnement	59,571	1,449
Nestle	15,177	1,442

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
JP Morgan Securities	13,888
Barclays Capital Securities	12,806
BNP Paribas Arbitrage	9,537
Citigroup Global Market	2,506
Merrill Lynch	953
HSBC Bank	692
Macquarie Bank	277
Natixis	227
	40,886

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	28,116
Bonds	Investment grade	15,032
		43,148

* 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	43,148
	43,148

Currency of collateral

Currency	Fair value £'000
Sterling	412
Euro	10,056
Hong Kong dollar	7,380
Japanese yen	8,853
Swedish krona	24
Swiss franc	1,466
US dollar	14,957
	43,148

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	40,886
	40,886

Country in which counterparties are established

Counterparty	
UK	40,659
Singapore	227
	40,886

Return and cost

	£'000	% of overall returns
Fund gross return	181	
Agents fee	(36)	20.00%
Fund net return	145	80.00%

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	6.60%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£373,295,879	6.45%

* 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 0.8% 20/3/2047	7,205,350,000	34,103
Government of Japan 0.5% 20/3/2041	4,386,250,000	21,086
Government of Japan 1.1% 20/6/2043	4,059,450,000	21,086
Nippon Yusen	817,200	17,214
Government of Japan 1.4% 20/3/2053	2,701,750,000	14,063
UK Treasury 0.5% 7/6/2028	13,798,993	13,787
Tokyo Electron	81,900	9,578
DBV Unstripped BGS Equity Participant	7,234,668	7,235
US Treasury 2.75% 15/8/2047	11,718,200	6,990
Federal Republic of Germany 4.75% 4/7/2034	6,686,391	6,942

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	165,014
Morgan Stanley & Co International	66,734
Natixis	47,759
Merrill Lynch	32,725
Banco Santander	32,626
HSBC Bank	7,840
UBS	6,394
JP Morgan Securities	6,136
BNP Paribas Arbitrage	2,044
Skandinaviska Enskilda Banken	1,834
Bank of Nova Scotia	1,591
Societe Generale	1,426
Citigroup Global Markets	1,173
	373,296

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	248,422
Bonds	Investment grade	149,721
		398,143

* 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	398,143
	398,143

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	29,356
Canadian dollar	8,089
Euro	49,951
Hong Kong dollar	4,172
Japanese yen	239,332
Swiss franc	656
US dollar	66,587
	398,143

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	373,296
	373,296

Country in which counterparties are established**Counterparty**

All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	971	
Agents fee	(194)	20.00%
Fund net return	777	80.00%

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	7.45%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£77,411,725	7.06%

* 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
Boeing	25,212	5,770
Activision	62,728	5,770
Verizon Communications	166,560	5,770
Intel	167,090	5,770
Boston	106,312	5,770
Synopsis	12,617	5,770
Citigroup	139,460	5,769
NetFlix	13,273	5,769
Amazon.com	42,712	5,769
Mastercard	13,938	5,769

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
BNP Paribas Prime Brokerage International Limited	45,433
HSBC Bank	14,181
JP Morgan Securities	6,482
UBS	4,601
BNP Paribas Arbitrage	3,724
Natixis	1,946
RBC Dominion Securities	746
BMO Nesbitt Burns	299
	77,412

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	86,224
Bonds	Investment grade	9,056
		95,280

* 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	95,280
	95,280

Currency of collateral

Currency	Fair value £'000
Sterling	9,075
Euro	2,722
Hong Kong dollar	3,855
Japanese yen	2,806
Swiss franc	1,334
US dollar	75,488
	95,280

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	77,412
	77,412

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	608	
Agents fee	(122)	20.00%
Fund net return	486	80.00%

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	13.37%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£289,865,961	13.19%

* 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
Union Pacific	99,569	17,514
Texas Instrument	131,140	17,514
Apple	118,267	17,514
Microsoft	67,498	17,514
Unicredit	894,587	17,394
Covestro	412,076	17,394
Leonardo	1,462,926	16,603
Microchip Technology	220,800	14,287
Iveco	1,542,312	11,696
ENI	798,319	9,825

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Barclays Capital Securities	168,482
Natixis	59,721
HSBC Bank	31,508
Morgan Stanley & Co International	29,214
BNP Paribas Arbitrage	941
	289,866

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	256,722
Bonds	Investment grade	51,841
		308,563

* 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	308,563
	308,563

Currency of collateral

Currency	Fair value £'000
Sterling	49,691
Euro	96,548
Japanese yen	25,419
US dollar	136,905
	308,563

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	289,866
	289,866

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	318	
Agents fee	(64)	20.00%
Fund net return	254	80.00%

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	3.70%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£36,494,928	3.60%

* 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 0.5% 20/9/2041	833,050,000	3,972
US Treasury 0.125% 15/10/2025	4,500,600	3,965
DBV Unstripped BGS Equity Participant	3,408,132	3,408
Government of Japan 11/9/2023	527,100,000	2,857
US Treasury 4.25% 15/11/2040	3,560,000	2,821
Covestro	47,094	1,988
BE Semiconductor Industries	21,649	1,988
Akzo Nobel	30,853	1,988
RWE	60,816	1,988
UK Treasury 0.125% 22/3/2029	1,245,007	1,893

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Barclays Capital Securities	18,586
Morgan Stanley & Co International	9,041
Natixis	3,778
HSBC Bank	3,251
Merrill Lynch International	1,666
Goldman Sachs International	173
	36,495

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	16,555
Bonds	Investment grade	22,159
		38,714

* 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	38,714
	38,714

Currency of collateral

Currency	Fair value £'000
Sterling	6,918
Euro	14,902
Japanese yen	8,190
US dollar	8,704
	38,714

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	36,495
	36,495

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	45	
Agents fee	(9)	20.00%
Fund net return	36	80.00%

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	3.40%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£37,976,481	3.35%

* 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 16/10/2023	1,198,350,000	6,497
Government of Japan 11/9/2023	1,198,550,000	6,497
Government of Japan 23/10/2023	1,032,250,000	5,597
Government of Japan 25/9/2023	426,950,000	2,315
Government of Japan 0.30% 20/9/2039	309,400,000	1,474
US Treasury 0.50% 30/4/2027	2,142,500	1,471
US Treasury 2.875% 15/5/2049	2,388,200	1,471
Medtronic	14,133	918
Activision	12,647	918
Shiseido	28,600	917

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Morgan Stanley & Co International	20,514
Natixis	8,607
Barclays Capital Securities	6,924
Goldman Sachs	829
HSBC Bank	697
JP Morgan Securities	232
Merrill Lynch	173
	37,976

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	12,341
Bonds	Investment grade	27,875
		40,216

* 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	40,216
	40,216

Currency of collateral

Currency	Fair value £'000
Sterling	3,402
Euro	6,047
Hong Kong dollar	124
Japanese yen	23,299
Swiss franc	49
US dollar	7,295
	40,216

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	37,976
	37,976

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	60	
Agents fee	(12)	20.00%
Fund net return	48	80.00%

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	5.83%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£39,394,927	5.68%

* 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 4.25% 15/11/2040	5,611,500	4,446
US Treasury 1% 15/2/2049	5,204,700	3,968
Government of Japan 23/10/2023	587,800,000	3,187
Government of Japan 16/10/2023	587,800,000	3,187
Government of Japan 0.1% 20/9/2027	480,050,000	2,599
US Treasury 0.125% 15/10/2025	2,944,500	2,594
Covestro	52,807	2,229
RWE	68,195	2,229
BE Semiconductor Industries	24,275	2,229
Government of Japan 11/9/2023	392,550,000	2,128

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	20,978
Morgan Stanley & Co International	9,998
Natixis	4,540
Goldman Sachs International	3,738
JP Morgan	141
	39,395

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	11,978
Bonds	Investment grade	29,838
		41,816

* 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	41,816
	41,816

Currency of collateral

Currency	Fair value £'000
Sterling	3,074
Euro	8,970
Hong Kong dollar	74
Japanese yen	13,443
Swiss franc	511
US dollar	15,744
	41,816

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	39,395
	39,395

Country in which counterparties are established

Counterparty

All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	38	
Agents fee	(8)	20.00%
Fund net return	30	80.00%

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	13.16%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£174,956,033	12.89%

* 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 3.5% 31/1/2028	46,456,800	35,515
Government of Japan 16/10/2023	1,466,650,000	7,952
Government of Japan 23/10/2023	1,466,600,000	7,952
Government of Japan 0.005% 1/7/2024	1,465,650,000	7,952
UK Treasury 0.125% 22/3/2026	3,722,471	5,214
US Treasury 2.875% 15/5/2032	6,546,600	4,693
Japan Tobacco	250,800	4,338
Mitsubishi	111,200	4,338
Alibaba Group Holding	476,650	4,327
Tencent Holdings	132,183	4,323

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
JP Morgan Securities	40,686
Goldman Sachs International	37,556
Morgan Stanley & Co International	23,989
Barclays Capital Securities	22,102
HSBC Bank	14,299
Merrill Lynch International	12,666
UBS AG	6,714
Macquarie Bank	5,572
BNP Paribas Arbitrage	4,609
Citigroup Global Markets	4,455
Natixis	2,308
	174,956

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	80,015
Bonds	Investment grade	108,055
		188,070

* 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	188,070
	188,070

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	14,860
Canadian dollar	2,762
Euro	26,479
Hong Kong dollar	30,864
Japanese yen	44,014
Swedish krona	242
Swiss franc	8,598
US dollar	60,251
	188,070

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	174,956
	174,956

Country in which counterparties are established**Counterparty**

All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	633	
Agents fee	(127)	20.00%
Fund net return	506	80.00%

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	13.75%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£140,334,654	13.56%

* 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 2.4% 20/3/2048	1,590,600,000	10,333
Government of Japan 0.2% 20/6/2028	1,646,350,000	8,916
Government of Japan 0.5% 20/12/2040	1,849,400,000	8,916
Government of Belgium 0.9% 22/6/2029	7,676,307	5,893
Nippon	247,500	5,214
Government of France 4% 25/4/2055	4,602,092	4,319
Microsoft	15,585	4,044
Apple	27,307	4,044
Walt Disney	60,799	4,044
Shell	166,884	4,026

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	56,844
Natixis	37,929
Morgan Stanley & Co International	28,055
HSBC Bank	5,817
Goldman Sachs	4,130
BNP Paribas Arbitrage	2,253
JP Morgan Securities	2,026
Banco Santander	1,417
UBS	697
Citigroup Global Markets	451
Societe Generale	407
Skandinaviska Enskilda Banken	171
Bank of Nova Scotia	138
	140,335

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	94,345
Bonds	Investment grade	55,193
		149,538

* 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	149,538
	149,538

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	17,340
Euro	30,269
Hong Kong dollar	926
Japanese yen	73,078
Swiss franc	4,527
US dollar	23,398
	149,538

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	140,335
	140,335

Country in which counterparties are established

Counterparty

All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	271	
Agents fee	(54)	20.00%
Fund net return	217	80.00%

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	7.70%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£330,403,633	7.43%

* 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 20/11/2023	5,041,550,000	27,337
Government of Germany 4.25% 4/7/2039	17,534,800	18,067
Government of France 4% 25/10/2038	15,910,592	15,081
US Treasury 0.625% 31/12/2027	19,248,400	12,996
US Treasury 1.5% 15/2/2053	17,907,400	12,996
UK Treasury 4.25% 7/12/2040	13,469,794	12,939
Government of Belgium 0.10% 22/6/2030	18,248,192	12,907
UK Treasury 4.50% 7/9/2034	11,378,000	11,660
UK Treasury 0.125% 22/3/2029	6,480,015	9,854
Government of Japan 23/10/2023	1,679,100,000	9,104

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Goldman Sachs	90,317
JP Morgan Securities	79,850
HSBC Bank	66,384
UBS	27,140
Barclays Capital Securities	23,959
Morgan Stanley & Co International	23,579
Merrill Lynch International	7,285
Citigroup Global Markets	3,424
Macquarie Bank	3,420
Natixis	3,212
BNP Paribas Arbitrage	1,308
The Bank of Nova Scotia	526
	330,404

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	157,359
Bonds	Investment grade	202,154
		359,513

* 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	359,513
	359,513

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**

Currency	Fair value £'000
Sterling	53,991
Euro	92,631
Japanese yen	76,963
US dollar	70,573
Hong Kong dollar	48,172
Swiss franc	17,123
Canadian dollar	60
	359,513

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	330,404
	330,404

Country in which counterparties are established

Counterparty	
United Kingdom	328,570
France	1,308
United States	526
	330,404

Return and cost

	£'000	% of overall returns
Fund gross return	1,065	
Agents fee	(213)	20.00%
Fund net return	852	80.00%

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	11.98%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£453,441,012	11.92%

* 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 1.125% IL 22/11/2027	23,998,523	45,614
US Treasury 3.5% 15/9/2025	25,873,300	20,210
UK Treasury 0.625% IL 22/3/2040	12,445,590	20,121
Government of Belgium 0.1% 22/6/2030	27,973,093	19,785
US Treasury 1.125% 15/5/2040	25,000,000	12,235
BAE Systems	1,185,899	11,889
BP	2,430,220	11,889
Informa	1,613,988	11,889
GSK	850,646	11,889
SSE	729,140	11,889

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	109,814
HSBC Bank	89,155
JP Morgan Securities	70,777
Goldman Sachs	43,259
Natixis	40,502
UBS	30,118
Morgan Stanley & Co International	28,919
BNP Paribas Arbitrage	21,010
Bank of Nova Scotia	16,729
Citigroup Global Markets	1,686
Canadian Imperial Bank of Commerce London Branch	1,472
	453,441

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	333,608
Bonds	Investment grade	161,472
		495,080

* 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	495,080
	495,080

Appendix – Additional Information (unaudited) (continued)**Securities Financing Transactions** (continued)**Royal London Global Equity Diversified Fund**
– continued

Aggregate transaction data – continued

Currency of collateral – continued

Maturity	Fair value £'000
Sterling	216,335
Euro	52,502
Hong Kong dollar	39,517
Japanese yen	41,631
Swiss franc	29,935
US dollar	115,160
	495,080

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	453,441
	453,441

Country in which counterparties are established

Counterparty

All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	611	
Agents fee	(122)	20.00%
Fund net return	489	80.00%

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	13.83%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£119,146,548	13.43%

* 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 4.25 15/11/2040	11,924,600	9,449
Government of Japan 0.7% 20/6/2048	1,912,700,000	8,684
RWE	144,917	4,737
Covestro	112,216	4,737
BE Semiconductor Industries	51,585	4,737
ASR Nederland	122,455	4,345
Akzo Nobel	67,446	4,345
US Treasury 0.625% 31/12/2027	4,655,800	3,143
US Treasury 3.75% 15/11/2043	4,340,000	3,143
UK Treasury 4.25% 7/12/2040	3,258,084	3,130

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	44,623
UBS	28,748
Natixis	23,692
HSBC Bank	14,753
Merrill Lynch International	4,401
Morgan Stanley	2,508
JP Morgan Securities	422
	119,147

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	85,669
Bonds	Investment grade	42,148
		127,817

* 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	127,817
	127,817

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	13,870
Euro	33,041
Hong Kong dollar	3,648
Japanese yen	29,722
Swiss franc	4,050
US dollar	43,486
	127,817

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	119,147
	119,147

Country in which counterparties are established**Counterparty**

All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	138	
Agents fee	(28)	20.00%
Fund net return	110	80.00%

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	3.46%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£19,454,864	3.42%

* 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 2.75% 30/4/2027	5,502,200	4,137
UK Treasury 4.125% 29/1/2027	4,200,031	4,119
Rolls Royce	958,938	2,079
Experian	74,837	2,079
Rentokil Initial	344,771	2,079
British American Tobacco	79,153	2,079
Flutter Entertainment	14,630	2,079
Prudential	178,312	1,783
US Treasury 1.5% 15/2/2053	235,600	171
US Treasury 4.5% 15/5/2038	132,900	110

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
HSBC Bank	19,455
	19,455

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	12,188
Bonds	Investment grade	8,540
		20,728

* 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	20,728
	20,728

Currency of collateral

Currency	Fair value £'000
Sterling	14,217
Euro	2,089
US dollar	4,422
	20,728

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	19,455
	19,455

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	5	
Agents fee	(1)	20.00%
Fund net return	4	80.00%

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	5.75%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£14,449,944	5.64%

* 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 0.625% 31/12/2027	3,410,500	2,303
UK Treasury 0.125% 29/1/2027	2,337,824	2,293
US Treasury 3.75% 15/11/2043	1,900,400	1,376
Rolls Royce	533,764	1,157
Rentokil Initial	191,906	1,157
British American Tobacco	44,058	1,157
Flutter	8,143	1,157
US Treasury 4.5% 15/5/2038	1,121,200	926
Exxon Mobil	4,346	380
Mondelez International	6,733	380

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
HSBC Bank	10,830
BNP Paribas Arbitrage	3,620
	14,450

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	8,432
Bonds	Investment grade	6,898
		15,330

* 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	15,330
	15,330

Currency of collateral

Currency	Fair value £'000
Sterling	5,764
Euro	1,157
US dollar	8,409
	15,330

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	14,450
	14,450

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	21	
Agents fee	(4)	20.00%
Fund net return	17	80.00%

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	3.61%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£20,196,769	3.45%

* 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 0.4% 20/3/2050	954,350,000	3,891
US Treasury 2.875% 15/5/2032	5,418,500	3,884
US Treasury 4.25% 15/11/2040	4,901,600	3,884
Azko Nobel	30,220	1,947
Convestro	46,127	1,947
RWE	59,568	1,947
BE Semiconductor	21,204	1,947
US Treasury 2.75% 30/4/2027	301,300	227
Tesco	43,188	114
Vodafone Group	155,352	114

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	18,549
HSBC Bank	1,072
JP Morgan Securities	223
Banco Santander	209
Bank of Nova Scotia	144
	20,197

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	9,310
Bonds	Investment grade	11,886
		21,196

* 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	21,196
	21,196

Currency of collateral

Currency	Fair value £'000
Sterling	1,002
Euro	7,841
Hong Kong dollar	232
Japanese yen	3,913
Swiss franc	47
US dollar	8,161
	21,196

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	20,197
	20,197

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	58	
Agents fee	(12)	20.00%
Fund net return	46	80.00%

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 Royal London Asset Management Limited 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 increases to the maximum incentive opportunities for executive directors of the Group, updates to reflect the Financial Conduct Authority’s (FCA) Consumer Duty principle and supporting rules which comes into effect in July 2023, 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 2022, total remuneration of £27,513,761 was paid to 50 individuals whose actions may have a material impact on the risk profile of RLUTM, of which £6,685,030 related to senior management. The fixed element of the total remuneration mentioned above is £10,370,339 and the variable element is £17,143,422. In addition, the ICVC does not make any payments directly to any staff of the delegates. 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 Royal London Asset Management Limited 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. Royal London Asset Management Limited 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.

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 08456 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 08456 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.

* 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.

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

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Royal London Asset Management Limited 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: 80 Fenchurch Street, London EC3M 4BY.

Ref: SREP RLAM PD 0297

