

## FUND OVERVIEW

Fund Manager(s)	Henry Burrell, Henry Lowson
Fund Size	£321.78m
Domicile	United Kingdom
ISA	Eligible
Benchmark Index	FTSE Small Cap ex Inv Co
Investment Association Sector	IA UK Smaller Companies
Currency	GBP
Initial Charge	0.0%
Fund Management Fee (FMF):	M Acc: 0.77% N Acc: 0.70%

### Share Class M (Accumulation)

Unit Launch Date	01.05.12
Minimum Investment	£100,000
SEDOL	B3NQHL5
Mid Price	260.90p
Historic Yield	2.06%

### Share Class N (Accumulation)

Unit Launch Date	20.03.20
Minimum Investment	£5,000,000
SEDOL	BL5MHK6
Mid Price	142.00p
Historic Yield	2.13%

## Overview

The Fund's investment objective is to achieve capital growth over the medium term (3-5 years) by investing at least 80% in the shares of UK smaller companies listed on the London Stock Exchange. The Fund's performance target is to outperform, after the deduction of charges, the FTSE Small Cap ex-IT (investment trusts) Total Return GBP Index (the "Index") over rolling 5-year periods. The Index is considered an appropriate benchmark for the Fund's performance, as the Fund's potential investments will predominantly be included in the Index. In addition to the benchmark for the Fund's performance as noted above (the "Index"), the IA UK Smaller Companies sector is considered an appropriate benchmark for performance comparison.

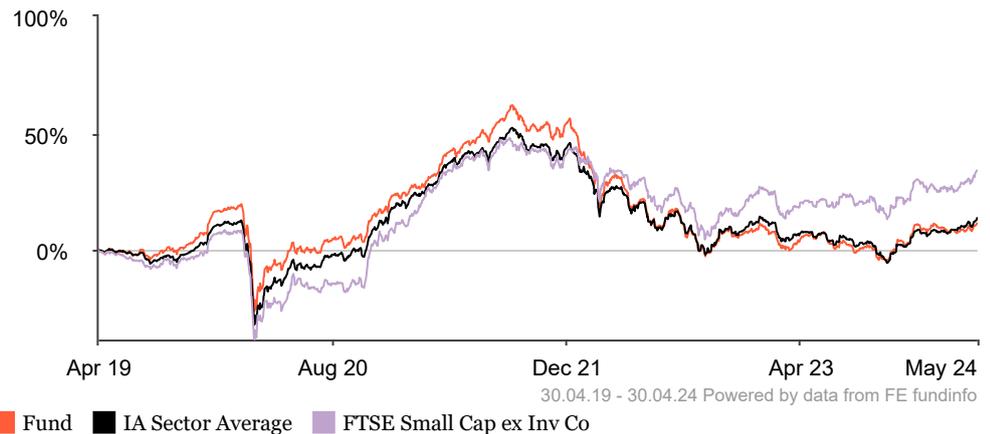
## Year-on-year performance

	31.03.23 to 31.03.24	31.03.22 to 31.03.23	31.03.21 to 31.03.22	31.03.20 to 31.03.21	31.03.19 to 31.03.20
Share Class M (Accumulation)	7.5%	-22.2%	-1.1%	53.2%	-7.7%
Share Class N (Accumulation)	7.5%	-22.2%	-1.0%	53.3%	-

## Cumulative Performance (as at 30.04.24)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class M (Accumulation)	0.1%	15.0%	6.7%	-21.5%	11.7%
Share Class N (Accumulation)	0.1%	15.1%	6.8%	-21.4%	-
IA Sector Average	4.6%	18.6%	6.1%	-17.1%	13.9%
FTSE Small Cap ex Inv Co	5.3%	16.5%	11.3%	-0.1%	34.2%
Quartile Ranking	4	4	2	3	2

## Performance Chart



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

Source: RLAM and FE fundinfo as at 30.04.24. Fund performance is shown on a mid to mid price basis, net of fees and gross of taxes, with gross income reinvested unless otherwise stated. Benchmark performance is shown gross of fees and taxes.

## Fund Manager(s)



### Henry Lawson

Lead Manager  
Fund Manager tenure:  
01.09.16



### Henry Burrell

Deputy Manager  
Fund Manager tenure:  
01.01.20

## Yield Definitions

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

## Important Information

This is a financial promotion and is not investment advice.

The Fund is a sub-fund of Royal London Equity Funds ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC000807. The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144037. For more information on the fund or the risks of investing, please refer to the Prospectus or Key Investor Information Document (KIID), available via the relevant Fund Information page on [www.rlam.com](http://www.rlam.com).

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Source: RLAM, FE fundinfo and HSBC as at 30.04.24, unless otherwise stated. Yield definitions are shown above.

Our ref: FS RLAM PD 0127

Breakdowns exclude cash and futures.

## Fund Commentary

The UK Smaller Companies fund returned 2.5% during the month, underperforming the benchmark (FTSE Small Cap ex IT).

Equity markets were generally subdued during the month, which was largely a result of stronger than expected US inflation data. This caused economists and traders to moderate their expectations for cuts to interest rates during 2024. UK equities pleasingly outperformed most other regions as M&A continued to be a theme, with a number of companies such as Darktrace, Anglo American & Tyman, receiving bids during the month. Tensions in the Middle East remained elevated following the launch of missiles by Iran into Israel.

Keystone Law and AJ Bell were contributors to performance during the month. Keystone Law's full year financial results revealed the group had generated double digit organic revenue and profit growth, which was ahead of analysts' expectations. The war for talent and tough recruitment conditions which Keystone has faced over the last couple of years appears to be abating, and pleasingly it is increasingly able to attract higher calibre Principals into the business. AJ Bell released a positive Q2 trading update, with growth in its platform assets coming from strong inflows and positive market performance. It also revealed growth in the number of customers using its platforms.

Auction Technology Group (ATG) was a detractor during the month. ATG declined as the company lowered its guidance for organic growth for the full year. The lowered guidance in part reflects a tough end market in the Industrial and Construction side of its business, as used equipment prices normalise post COVID. Encouragingly, its 'value added services' (namely its payment and shipping capabilities) continue to be well received by auctioneers. Aside from ATG, a significant proportion of the fund's underperformance came from companies (in the biotechnology, commodities and contracting sectors), which were not held in the fund, performing well.

The fund has recently initiated positions in Hostelworld and Kitwave. Hostelworld is a leading Online Travel Agent focused on the hostelling market segment and its platform enables customers to purchase bed-nights in hostels. Under the current management team, the business has developed an innovative social network strategy which enables travellers to meet & interact with other travellers when using its platform. As a result of this, we believe the business should be able to grow its market share, keep users on the platform longer and lower the amount it spends on marketing as a proportion of its revenues. Kitwave is a wholesale food delivery business, serving customers such as convenience stores and foodservice outlets (e.g., cafes) with frozen, chilled and ambient products. Although Kitwave operates in a market with larger peers, it differentiates itself as it has the infrastructure and operations to service smaller businesses profitably & reliably with small, frequent deliveries. The business has a strong track record, and we would expect future earnings growth to be achieved organically and inorganically, akin to how it has grown historically.

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

## Sector Breakdown

	Fund
Industrials	33.9%
Consumer Discretionary	20.5%
Technology	12.6%
Financials	10.8%
Consumer Staples	6.3%
Health Care	5.9%
Basic Materials	4.7%
Energy	1.9%
Telecommunications	1.8%
Real Estate	1.7%

## Top 10 Holdings as at 30.04.24

	Fund
HOLLYWOOD BOWL GROUP PLC	3.1%
BOKU INC. INC	3.0%
GLOBALDATA PLC	3.0%
CHEMRING GROUP PLC	2.6%
XPS PENSIONS GROUP PLC	2.6%
PORVAIR PLC	2.5%
ALFA FINANCIAL SOFTWARE HOLDINGS P	2.4%
WILMINGTON PLC	2.4%
CRANSWICK PLC	2.4%
TREATT PLC	2.4%
<b>Total</b>	<b>26.4%</b>

**No of Holdings** **68**

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

## CONTACT DETAILS

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<http://www.rlam.com>.

## Key Concepts to Understand

**Capital Growth:** Capital growth is defined as the rise in an investment's value over time.

**Rolling 5 Year Period:** A rolling 5-year period is any period of five years, no matter which day you start on.

**Derivative** A financial instrument whose price is dependent upon or derived from one or more underlying asset.

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

**Smaller companies (small-cap):** Those worth less than £250 million.

**Exchange traded funds:** Are tradeable on an index in a similar way to individual shares. ETFs track other indices and provide a lower-cost method of diversifying a portfolio.

## Fund Risks

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

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

**Liquidity Risk** In difficult market conditions the value of certain fund investments may be difficult to value and harder to sell, or sell at a fair price, resulting in unpredictable falls in the value of your holding

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

**Smaller Company Risk:** The Fund invests in smaller companies, the prices for which can be less liquid and be more volatile than those of larger companies and therefore may have a greater impact on the value of the Fund.