

## FUND OVERVIEW



Fund Manager(s)	Henry Burrell, Henry Lowson
Fund Size	£362.12m
Domicile	United Kingdom
ISA	Eligible
Benchmark Index	FTSE 250 ex Inv Co
Investment Association Sector	IA UK All Companies
Currency	GBP
Initial Charge	0.0%
Fund Management Fee (FMPF):	M Acc: 0.77% Z Acc: 0.62% N Acc: 0.70%

### Share Class M (Accumulation)

Unit Launch Date	11.11.09
Minimum Investment	£100,000
SEDOL	B5BRW42
Mid Price	447.80p
Historic Yield	2.10%

### Share Class Z (Accumulation)

Unit Launch Date	06.05.14
Minimum Investment	£25,000,000
SEDOL	BG48LW0
Mid Price	156.60p
Historic Yield	2.24%

### Share Class N (Accumulation)

Unit Launch Date	20.03.20
Minimum Investment	£15,000,000
SEDOL	BLP52H7
Mid Price	143.70p
Historic Yield	2.16%

# ROYAL LONDON UK MID-CAP GROWTH FUND

29.02.24

## 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 medium-sized companies listed on the London Stock Exchange. The Fund's performance target is to outperform, after the deduction of charges, the FTSE 250 ex-IT (investment trust) 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 All Companies sector is considered an appropriate benchmark for performance comparison.

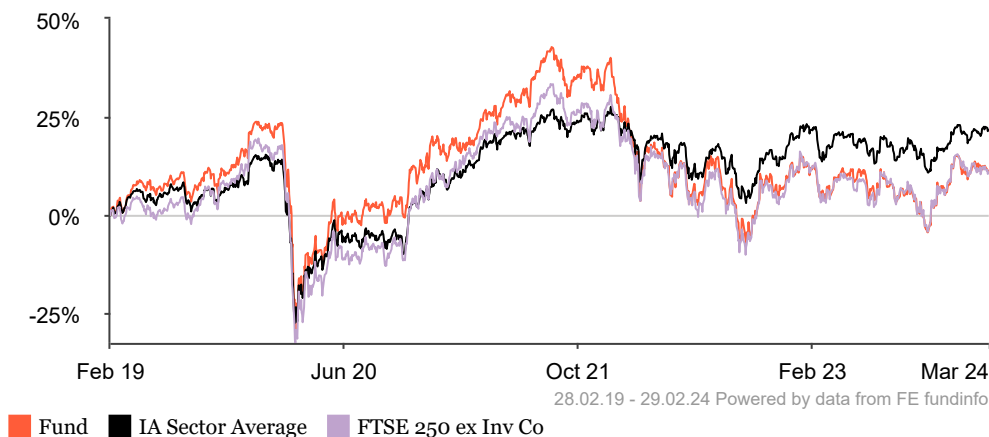
## Year-on-year performance

	31.12.22 to 31.12.23	31.12.21 to 31.12.22	31.12.20 to 31.12.21	31.12.19 to 31.12.20	31.12.18 to 31.12.19
Share Class M (Accumulation)	7.7%	-22.7%	17.6%	-4.3%	33.7%
Share Class Z (Accumulation)	7.8%	-22.6%	17.7%	-4.2%	33.9%
Share Class N (Accumulation)	7.7%	-22.6%	17.7%	-	-

## Cumulative Performance (as at 29.02.24)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class M (Accumulation)	4.8%	4.4%	-0.7%	-4.0%	11.1%
Share Class Z (Accumulation)	4.7%	4.5%	-0.6%	-3.6%	11.9%
Share Class N (Accumulation)	4.8%	4.4%	-0.6%	-3.8%	-
IA Sector Average	4.4%	4.1%	0.1%	11.2%	21.7%
FTSE 250 ex Inv Co	5.5%	3.7%	-1.4%	-1.0%	10.9%
Quartile Ranking	2	2	3	4	4

## 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 29.02.24. 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 Lowson**  
Lead Manager  
Fund Manager tenure:  
01.01.18



**Henry Burrell**  
Deputy Manager  
Fund Manager tenure:  
01.01.22

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 29.02.24, unless otherwise stated. Yield definitions are shown above.  
Our ref: FS RLAM PD 0121  
Breakdowns exclude cash and futures.

Fund Commentary

The UK Mid Cap Growth fund returned -1.9% during February, pleasingly outperforming the benchmark (FTSE 250 ex IT) return of -2.2% in a weak month.

February was a relatively uneventful month for macroeconomic news; expectations for interest rate cuts were pushed back a few months by central bankers, although this didn’t prevent the Nasdaq in the US hitting all time highs thanks to continued enthusiasm for all things AI related. The FTSE All Share ended broadly flat, while Small and Mid Caps underperformed, reflecting caution about the UK economy. Data released during the month suggested that the UK economy did slip into a mild technical recession at the end 2023, but better PMI data gave cause for optimism that the economy was starting 2024 more positively.

Beazley and Auction Technology Group (“ATG”) were positive significant contributors. Beazley delivered an extremely robust trading update in advance of their full year results, detailing a combined ratio in the “mid 70s” percent (this demonstrates a very profitable underwriting result) and committing to returning at least \$300m of capital to shareholders in addition to their dividend. This is particularly impressive given their recent entry into the Property Catastrophe market, as new business lines often carry higher costs and aren’t able to benefit from prior year reserve releases. ATG’s update, which released at the end of January, surprised naysayers by holding guidance for the coming year despite operating in markets which have some short term challenges. This is a demonstration of their strategy to grow revenues through greater provision of value added services such as payment processing and logistics.

Genus and Bytes Technology Group were detractors to performance. Genus had to reduce earnings guidance due to ongoing weak demand in both their Bovine and Porcine markets in a few territories, but most acutely in China. The executive team are taking action to fundamentally improve the economics of their business model in Bovine, as well as removing some central costs to drive profitability. Within Porcine, despite the weak trading results from China, they’re nevertheless making progress winning large Chinese customers and transitioning more customers to predictable royalty contracts; this will be a better business when demand returns, more in the form of their world class European and US operations. Bytes announced the sudden departure of their longstanding CEO, who resigned after admitting to trading in the company’s shares without regulatory disclosure. While extremely disappointing, the operations of the group remain in good health and the board had an appropriate succession strategy in place.

The fund initiated a new position in homewares retailer Dunelm, funded by the disposal of B&M and Rathbones. Dunelm is the market leader in most of their homewares categories, having consistently taken share through their value proposition and “Good, Better, Best” range which allows them to address a very wide audience. The founding Adderley family still retain a significant minority stake, but under the current executive team the business has refined and improved their multi-channel offer and significantly grown their addressable market. The business generates significant free cashflow from its capital light operations, which more than covers their careful store expansion plan and ongoing online growth, as well as funding consistent excess returns to shareholders.

Sector Breakdown

	Fund
Industrials	34.7%
Financials	18.9%
Consumer Discretionary	14.5%
Technology	8.7%
Real Estate	6.2%
Telecommunications	5.3%
Consumer Staples	5.0%
Basic Materials	4.3%
Health Care	2.3%

Top 10 Holdings as at 29.02.24

	Fund
CRANSWICK PLC	3.2%
Rotork Plc	3.1%
HILL AND SMITH PLC	3.1%
GENUIT GROUP PLC	3.0%
ASCENTIAL PLC	3.0%
JTC PLC	2.8%
GRAFTON GROUP PLC	2.8%
SPECTRIS PLC	2.8%
GRAINGER PLC	2.8%
AJ BELL PLC	2.8%
<b>Total</b>	<b>29.4%</b>
<b>No of Holdings</b>	<b>48</b>

# CONTACT DETAILS

## Private Investors

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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.  
**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.  
**Medium-sized companies (mid-cap):** Those worth between £250 million and £2 billion.

# 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.  
**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.