

ROYAL LONDON EUROPEAN GROWTH FUND

28 FEBRUARY 2017

citywire **A**



ASSET MANAGEMENT

FUND OVERVIEW

General Information

Fund Manager:	Mike Fox
Fund size (mid basis)	£668.37m
Fund Type	OEIC
Fund domicile	GBR
ISA	Y
Benchmark:	
FTSE World Europe ex UK index	

Share Class A (Accumulation)

Inception date	17/03/1987
Initial charge	4%
Annual mgmt charge	1.25%
Min investment	£1,000
OCF	1.29%
Sedol number	B52DGB4
Mid price	788.10
Historic Yield	1.36%

Share Class M (Accumulation)

Inception date	26/11/2012
Initial charge	0.0%
Annual mgmt charge	0.62%
Min investment	£100,000
OCF	0.66%
Sedol number	B52VBP7
Mid price	822.30
Historic Yield	1.76%

Overview

The fund seeks to achieve capital growth. A broadly based continental European equity fund drawing on the fund manager's growth style and a process driven by stock selection.

Performance 12 Months Ending

	28/02/17	28/02/16	28/02/15	28/02/14	28/02/13
(Class A Acc)	24.62%	-6.62%	3.59%	14.81%	14.52%
(Class M Acc)	25.41%	-6.02%	4.23%	15.53%	15.23%

Cumulative Performance to 28/02/2017

	3 months	6 months	1 Year	3 Years	5 Years
(Class A Acc)	7.02%	8.55%	24.62%	20.56%	58.51%
(Class M Acc)	7.20%	8.90%	25.41%	22.84%	63.54%
Sector Average	8.02%	7.58%	22.98%	25.63%	72.66%
Benchmark	9.91%	9.45%	27.26%	26.93%	73.71%
Quartile Ranking (Class A)	4	2	2	4	4

Mid to mid, net of fees and taxes, net income reinvested unless otherwise stated. Information about past performance is not a reliable indicator of future results. The investor may not get back part, or all, of the amount originally invested. The value of your investment and the income from it is not guaranteed and can fall as well as rise. Please refer to the simplified prospectus for a list of the relevant risks. All yields are net of expenses and gross of taxes. This fund converted from a unit trust (bid price) to an OEIC (mid price) on 30th April 2010. This change is reflected in past performance history.

Fund Commentary

Global equity markets performed well in February with Europe (FTSE Europe ex UK Index) up 2% (GBP). The main catalyst was an improving outlook for global economic growth, coupled with a series of actions that President Trump has suggested he may take in the future. These actions, such as tax reform and increased infrastructure spend, should have positive implications for the future growth rate of the US economy. During the month, some of the more defensive sectors performed well, notably consumer staples, reflecting the approach for Unilever from Kraft Heinz, a US company. Although unsuccessful, this is likely to be a catalyst for management teams in the sector to implement a number of measures to improve profitability.

The Fund underperformed its benchmark and was ranked in the third quartile as negative stock selection offset positive sector allocation. Infineon fell after the Committee on Foreign Investment in the United States (CFIUS) raised concern about its planned acquisition of Wolfspeed, the deal was cancelled a few days after, though a setback for the company, it remains well positioned to benefit from the rise of autonomous vehicles. Pandora delivered another set of positive earnings but gave a very cautious outlook for the beginning of the year that surprised investors. On the positive side, Ubisoft posted positive results confirming its digital revenue targets will be reached 2 years ahead of its original plan.

In the month the Fund started new positions in Kingspan and RTL. Kingspan is a global leader in high-performance insulation and building energy solutions that benefits from rising demand for higher efficiency in construction. RTL is a multi-channel network leader with strong market positions notably in which we expect to prosper. These purchases were funded by selling Sanofi which despite positive results in the short term, we are concerned that its diabetes business remains under pressure and its pipeline is weak.

Nothing in this factsheet should be construed as advice and is therefore not a recommendation to buy or sell shares.

Top 10 Holdings	
Holdings	% of total
Roche Holding	4.6
ING Groep	3.4
SAP	3.4
Infineon Technologies	3.1
Novartis	2.8
Merck KGaA	2.7
Total S.A.	2.7
Danone	2.5
Ryanair	2.5
ASML Holding	2.4
Total	30.1
Total No. of Holdings	53
RLAM as at 28/02/17	

Sector Breakdown	
Sector	% of total
Financials	19.0
Industrials	17.1
Consumer Goods	15.9
Health Care	14.3
Technology	10.3
Consumer Services	7.5
Telecommunications	5.8
Oil & Gas	5.3
Basic Materials	3.3
Utilities	1.5
Total	100.0

RISK WARNINGS

Investing in assets denominated in a currency other than the investors home currency means the value of the investment can be affected by changes in exchange rates.

Yield Definitions

The **historic yield** reflects distributions declared over the past twelve months as a percentage of the mid-market price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions.

CONTACT DETAILS

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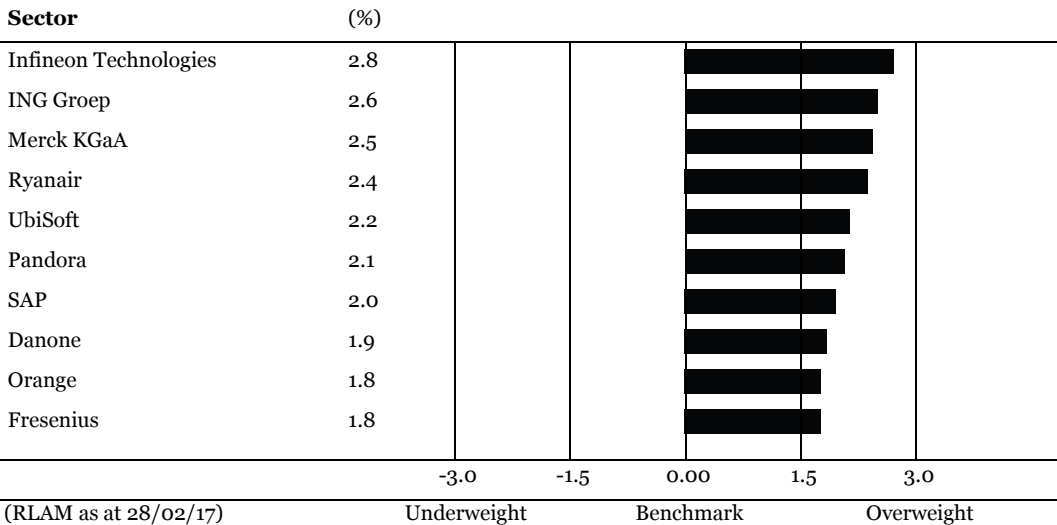
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Our ref: FF RLAM PD 0090

Source: rlam, Financial Express and HSBC as at 28/02/2017, unless otherwise stated. Yield definitions are shown above.

Stock Positions Relative to Index



Sector Positions Relative to Index

