

FUND OVERVIEW

Fund Manager(s)	Henry Burrell, Henry Lowson
Fund Size	£312.37m
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	254.60p
Historic Yield	2.11%

Share Class N (Accumulation)

Unit Launch Date	20.03.20
Minimum Investment	£5,000,000
SEDOL	BL5MHK6
Mid Price	138.50p
Historic Yield	2.18%

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.

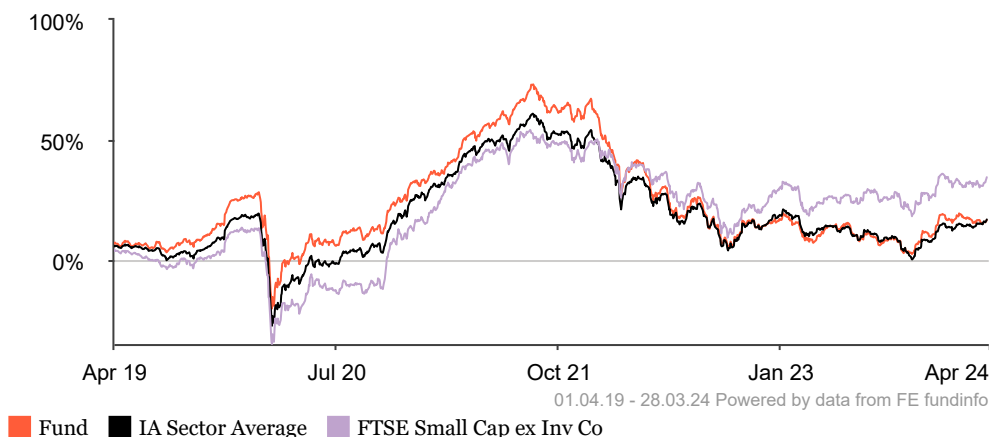
Year-on-year performance

	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 31.03.24)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class M (Accumulation)	-1.9%	8.3%	7.5%	-17.3%	16.9%
Share Class N (Accumulation)	-1.9%	8.3%	7.5%	-17.2%	-
IA Sector Average	1.4%	8.3%	5.0%	-14.0%	17.0%
FTSE Small Cap ex Inv Co	-1.0%	5.4%	11.0%	2.0%	34.9%
Quartile Ranking	4	3	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 31.03.24. 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.

Issued by Royal London Asset Management Limited, 80 Fenchurch Street, London EC3M 4BY. Authorised and regulated by the Financial Conduct Authority, firm reference number 141665. A subsidiary of The Royal London Mutual Insurance Society Limited.

Source: RLAM, FE fundinfo and HSBC as at 31.03.24, unless otherwise stated. Yield definitions are shown above.

Our ref: FS RLAM PD 0124

Breakdowns exclude cash and futures.

Fund Commentary

The UK Smaller Companies fund returned 1.1% during the month, underperforming the benchmark (FTSE Small Cap ex IT) by 0.6%.

UK equities performed strongly in March, & M&A, once again, was a feature during the month. A number of companies across the market cap spectrum were bid for – examples included Spirent Communications, Virgin Money, DS Smith and Accrol. The Bank of England continued to hold interest rates at current levels, but dovish commentary and no members of the Monetary Policy Committee voting to increase rates (for the first time since September 2021) gave hope for rate cuts in the near future. The government delivered its Budget for 2024, with one of the more relevant announcements being the launch of the British ISA. This will provide retail investors with an additional tax-free allowance should this be used to invest in UK equities or other UK investments.

Boku and Cohort were contributors to performance during the month. Boku released a strong set of results which revealed significant growth in its profits and revenues. The company also reported that its current financial year has started strongly, and we believe the significant number of new payment methods that it has launched with new and existing merchants during the previous financial year should underpin its growth expectations for the near term. Cohort, the defence group, performed strongly following the announcement of two contract wins during the month - one of which resulted in material upgrades to the group's earnings forecasts. As a result of these contracts, the order book now exceeds £500m and is significantly up from the £354m reported at its interim results in October 2023. Focusrite and YouGov were detractors to performance during the month. Focusrite's trading update revealed that it still faces challenging market conditions for its Content Creation division. The company has also suffered as it transitions to newer generation products in its Scarlett product range. These new products have however, received excellent reviews which provides us with some comfort that this is a short-term issue linked to the market backdrop. In more positive news, the group's other division, Audio Reproduction, is performing robustly. YouGov detracted as the company revealed disappointing organic revenue and profit performance at its interim results as a result of a tough market backdrop. However, the group has noted that sales momentum improved in Q2, and a healthy sales pipeline and good revenue visibility provides management with confidence that the business should perform in line with current market expectations for the full year.

The fund has recently initiated a position in Brooks Macdonald. Brooks Macdonald provides investment management and financial planning services, and the current management team have made positive steps in simplifying and improving the operations and tech infrastructure of the business. The company has also recently announced a strategic review of the international business, which has historically struggled to generate organic growth, and any action taken here will likely improve the financial performance of the company. Brooks also has significant excess capital on its balance sheet and is attractively valued on a low double digital forward price earnings ratio. The fund disposed of Liontrust, following the departure of a number of key individuals from the business. We are increasingly concerned about the potential this may have for further outflows and indeed the strategy.

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	33.2%
Consumer Discretionary	20.2%
Technology	13.8%
Financials	10.3%
Health Care	6.3%
Consumer Staples	6.2%
Basic Materials	4.6%
Energy	1.9%
Telecommunications	1.9%
Real Estate	1.7%

Top 10 Holdings as at 31.03.24

	Fund
BOKU INC. INC	3.2%
HOLLYWOOD BOWL GROUP PLC	3.1%
CHEMRING GROUP PLC	2.6%
GLOBALDATA PLC	2.6%
PORVAIR PLC	2.5%
HILL AND SMITH PLC	2.5%
ALFA FINANCIAL SOFTWARE HOLDINGS P	2.4%
XPS PENSIONS GROUP PLC	2.3%
CRANSWICK PLC	2.3%
WILMINGTON PLC	2.2%
Total	25.7%
No of Holdings	69

CONTACT DETAILS

Private Investors

For enquiries and dealing: Tel: 03456 04 04 04*

Intermediaries

For enquiries: Tel: 0203 272 5950*

Email: BDSupport@rlam.co.uk

Institutional Investors

For enquiries: Tel: 020 7506 6500*

Email: Institutional@rlam.co.uk

Head Office

Royal London Asset Management Limited

80 Fenchurch Street

London, EC3M 4BY

Tel: 020 7506 6500*

Telephone calls may be recorded. For further information please see the privacy policy at <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.