ROYAL LONDON US GROWTH TRUST

30.09.18

FUND OVERVIEW

Fund Manager(s)	Tom Digenan
Fund Size	£225.33m
Domicile	United Kingdom
ISA	Available and Eligible
Benchmark Index	Russell 1000
Investment Association Sector	North America
Currency	GBP

Share Class A (Income)

Unit Launch Date	19.02.01
Initial Charge	5.00%
Annual Charge	1.50%
Minimum Investment	£1,000
Ongoing Charges Figure (OCF)	1.54%
SEDOL	3003835
Mid Price	241.65p
Historic Yield	0.00%

Overview

The investment objective of the fund is to provide above average capital growth over the medium to long term from a diverse portfolio of US securities in any economic sector.

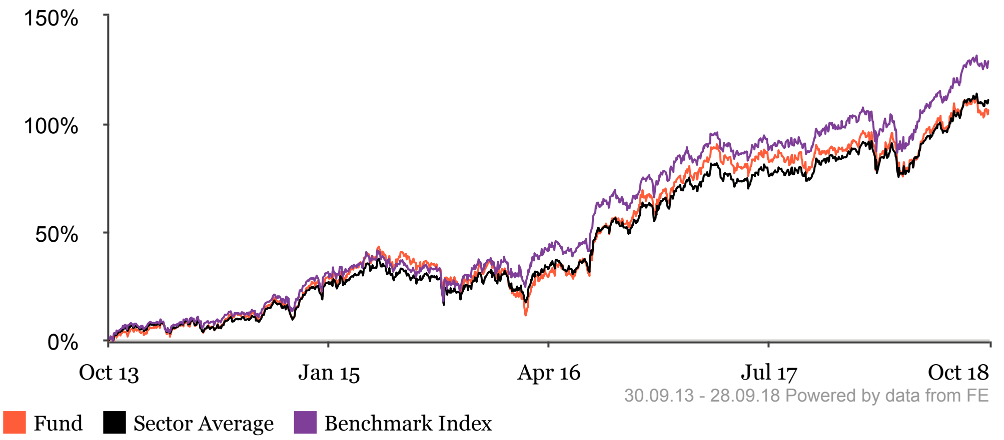
Year-on-year performance

	30.09.17 to 30.09.18	30.09.16 to 30.09.17	30.09.15 to 30.09.16	30.09.14 to 30.09.15	30.09.13 to 30.09.14
Share Class A (Income)	12.7%	15.4%	32.6%	2.7%	16.4%
Sector Average	19.3%	14.6%	30.1%	2.8%	15.4%
Benchmark Index	20.5%	14.1%	33.2%	5.8%	18.2%

Cumulative Performance (as at 30.09.18)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class A (Income)	4.3%	15.7%	12.7%	72.5%	106.2%
Sector Average	7.3%	19.2%	19.3%	77.9%	111.0%
Benchmark Index	8.6%	19.3%	20.5%	83.1%	128.9%
Quartile Ranking	4	4	4	3	3

Performance Chart



Source: RLAM and FE as at 30.09.18. Mid to mid, net of fees and taxes, net income reinvested unless otherwise stated. Benchmark index performance gross of fees and taxes. 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.

Distribution History (Net)

	Aug 18	Feb 18
Share Class A (Income)	0.00p	0.00p

Table above shows figures as at payment date.

Fund Manager(s)

Tom Digenan
Lead Manager
Fund Manager tenure:
01.04.15

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

Private Investors

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Intermediaries

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Risk Warning

Source: RLAM, Financial Express and HSBC as at 30.09.18, unless otherwise stated. Yield definitions are shown above.

Our ref: FF RLAM PD 0195

For more information concerning the risks of investing, please refer to the Prospectus and Key Investor Information Document (KIID).

Breakdowns exclude cash and futures.

Fund Commentary

The fund underperformed the peer group and the benchmark in September. Over the last three months, the fund has risen 4.3% whilst the benchmark rose 8.8%. Over the last 12 months, the fund has risen by 12.7 %.

Despite continued geopolitical tensions, equities outperformed other asset classes, including gold, cash, government and corporate bonds. In the US, inflation numbers came in weaker than expected, but that did not deter the Federal Reserve (Fed) from raising its key interest rate for the third time this year as widely expected. The Fed's language suggested that the "accommodative" era is over and that one more hike would follow this year.

During September, stock selection in information technology and health care detracted from the results the most. The positive returns were mainly driven by stock selection within consumer staples and energy.

Philip Morris' share price increased after Food & Drug Administration (FDA) announced its concern that the use of e-cigarettes among teenagers has reached a level of "epidemic proportions". The target of this initiative is Juul Labs. The growth in Juul has impacted the multiples of tobacco stocks this year as potential younger customers use Juul as opposed to traditional tobacco products causing volume declines faster than pricing can increase and failing to hook the next generation on cigarettes.

Concho Resources outperformed on the back of rising oil prices related to Iran concerns. This was boosted by a news that a pipeline company will convert an ethane pipeline into an oil pipeline which will improve the realized price Concho gets for every barrel of oil they sell.

Hess' shares price increase can be attributed to improving market perception of the value of its Guyana discoveries as an updated view on reserves and production has been much higher than market consensus.

Alnylam Pharmaceuticals underperformed due to skepticism around the initial uptake of its ONPATTRO and Givosiran drugs. We believe that at current levels the Street is failing to appreciate that this is an over $9bn enterprise value company that could have 5 products on the market within the next 4-5 years (including 2-3 within the next 3 years).

Micron Technology's underperformance was driven by concerns that recent declines in semiconductor memory (DRAM and NAND) average selling prices from record levels inevitably mean a crash in pricing and operating margins. We disagree, believing that improved industry structure and the slowing of Moore's law impact on industry capacity growth will lead to much less cyclicality than in the past and dramatically improved profitability across future cycles.

Wells Fargo & Co (WFC) underperformance can be attributed to several factors including lowered revenue guidance and continous reputational risks. We believe that, in time and by fully complying with all regulatory demands and inquiries, WFC will fully resolve these issues. In so doing, overall profit margins should move materially higher, as WFC is able to return excess capital to shareholders, grow its balance sheet more aggressively than is presently the case, and shift focus from damage control towards maximizing profit via improved expense control.

Sector Breakdown

	Fund
Financials	18.5%
Technology	17.8%
Consumer Services	16.6%
Industrials	14.8%
Health Care	13.5%
Consumer Goods	10.2%
Oil & Gas	4.3%
Basic Materials	3.4%
Telecommunications	1.0%

Top 10 Holdings as at 28.09.18

	Fund
AMAZON.COM INC	4.7%
PHILIP MORRIS INTERNATIONAL INC	3.0%
FACEBOOK INC	2.9%
MARSH & MCLENNAN COS INC	2.9%
AMERICAN EXPRESS CO	2.8%
JP Morgan Chase and Company	2.6%
UNITEDHEALTH GROUP INC	2.5%
WELLS FARGO & CO	2.4%
JOHNSON AND JOHNSON	2.4%
GARDNER DENVER HLDGS INC	2.3%
Total	**28.5%**
No of Holdings	**70**