



## Investment Factsheet

# Investment Pathway 3

Risk Grading: Balanced

### What are investment pathways?

We offer a choice of four investment pathways, based on what you intend to do with your pension savings over the next five years (from the point you start accessing your pension savings, however you choose to do this).

Each investment pathway invests in a mix of funds and asset classes and aims to meet different retirement needs. There are four pathways available, if you want to find out more about the other pathways, visit our website

[royallondon.com/investmentpathways](https://royallondon.com/investmentpathways)

### What is Investment Pathway 3?

Pathway 3 is designed to deliver growth above inflation to support sustainable income withdrawal.

### What governance process is in place?

The pathway comes with ongoing governance. This simply means that our investment experts check it regularly. It allows us to maintain the best mix of assets in line with the objectives of the pathway.

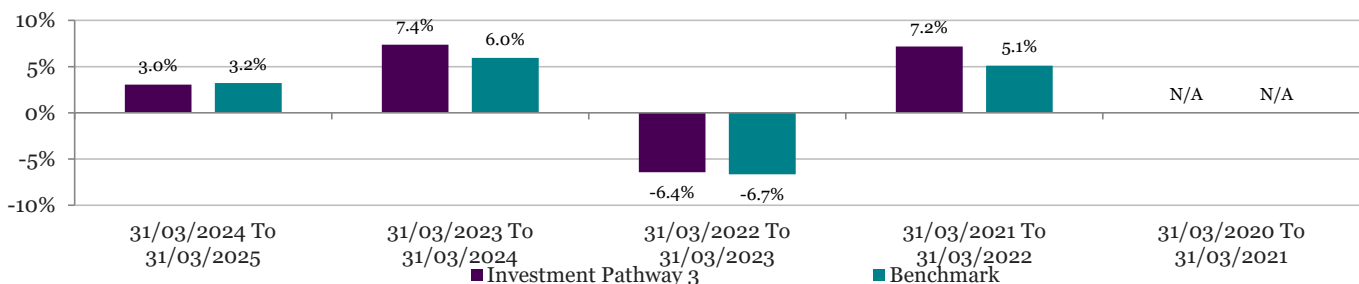
If our experts decide that the mix of assets needs to be adjusted, this happens automatically on your behalf, so you don't need to do anything. And, this service comes at no extra cost.

For full details of our governance process please visit our website at

[royallondon.com/pensions/investment-options/investment-governance](https://royallondon.com/pensions/investment-options/investment-governance)

### Pathway performance against benchmark

The past 5 years:



Source: Lipper, Royal London, as at 31.03.2025. All performance figures shown, including those shown for the growth in the benchmark, have been calculated net of a 1% Annual Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the full amount of capital originally invested. Investment returns may fluctuate and are not guaranteed.

### Who is this pathway designed for?

It's designed for someone who plans to start taking money as a long-term income within the next five years and has a balanced attitude to risk.

If you're not sure what your risk attitude is, you can complete our online Risk Attitude Profiling Questionnaire at

[royallondon.com/pensioninvestments](https://royallondon.com/pensioninvestments).

If you're not sure about the suitability of an investment, you should seek professional financial advice.

Advisers may charge for providing this type of advice so you should confirm any costs beforehand.

### What is the charge for this Investment Pathway?

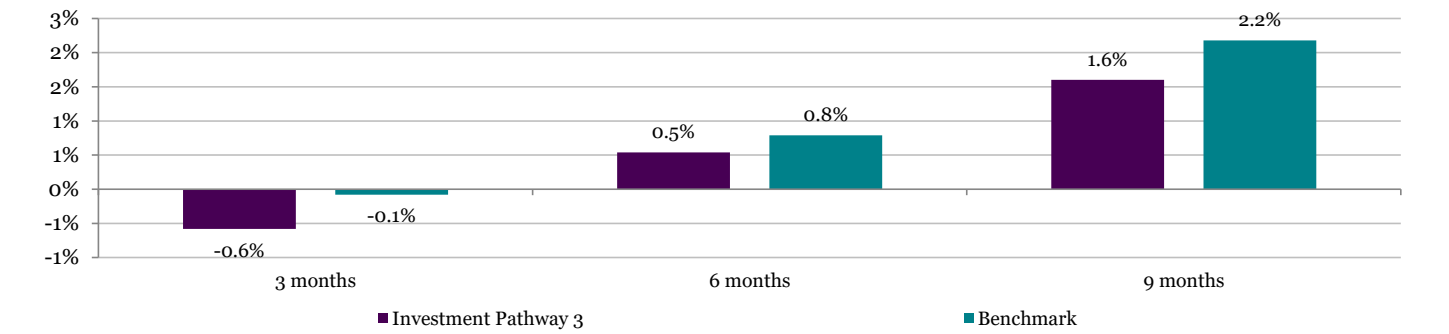
The fund management charge is 1.00%.

You should remember that your fund will continue to be invested in this pathway, and have charges deducted, so its value can fall as well as rise.

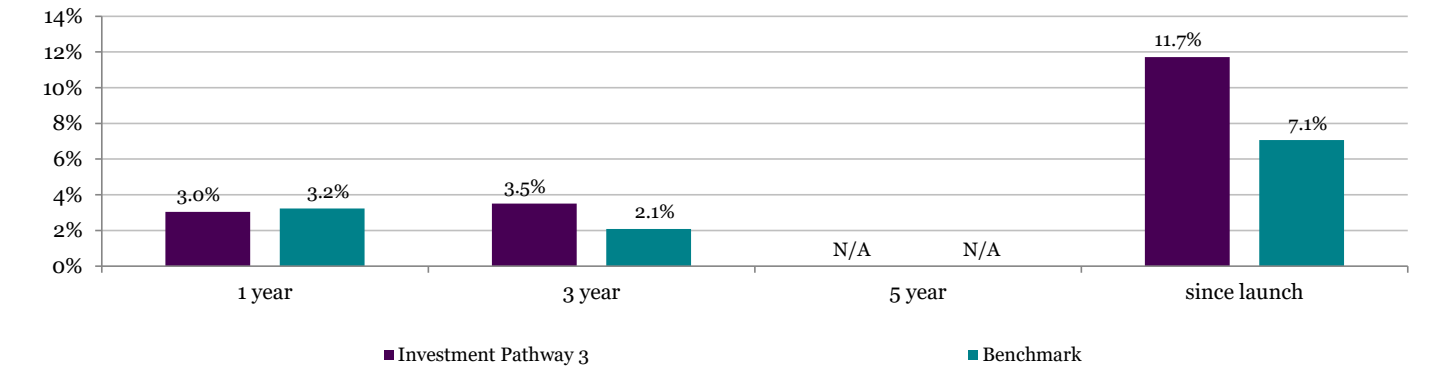
You could have less money in your fund when you come to take it than you have currently.

Pathway performance against benchmark continued

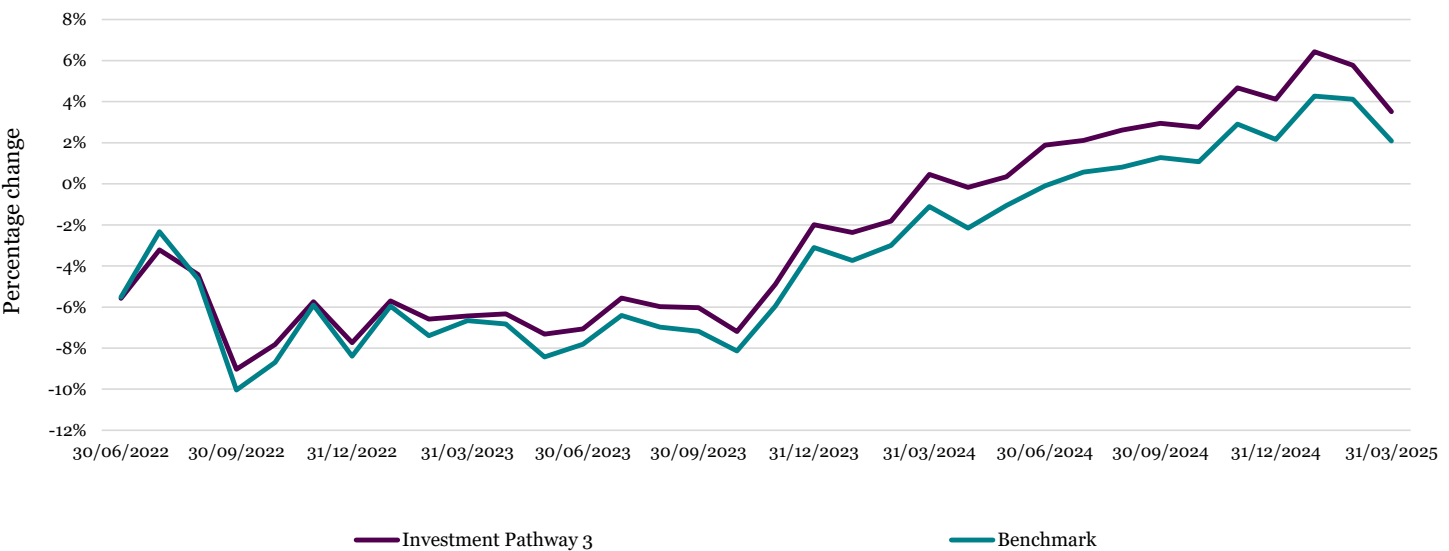
Shorter term:



Longer term:



3 year performance history:



Source: Lipper, Royal London, as at 31.03.2025. All performance figures shown, including those shown for the growth in the benchmark, have been calculated net of a 1% Annual Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the full amount of capital originally invested. Investment returns may fluctuate and are not guaranteed.

Where is the pathway invested?

The fund mix of the pathway as at 20 March 2025 is shown below:

Investment Pathway 3	
RLP Global Managed	32.00%
RLP UK Corporate Bond	9.95%
RLP UK Government Bond	8.95%
RLP Property	7.50%
RLP Commodity	6.50%
RLP Deposit	5.20%
RLP Sterling Extra Yield Bond	5.00%
RLP UK Index Linked	4.45%
RLP Global High Yield Bond	4.40%
RLP Global Corporate Bond	3.20%
RLP Short Duration UK Corporate Bond	2.95%
RLP Short Duration Global Index Linked	2.10%
RLP Absolute Return Government Bond	2.10%
RLP Global Government Bond	1.70%
RLP Short Term Fixed Income	1.45%
RLP Short Duration Global High Yield	1.35%
RLP Short Duration UK Government Bond	1.20%

The Global Managed fund invests in UK, Global and Emerging Market equities. The current benchmark split is 20% UK Equities, 70% Global Equities and 10% Emerging Market Equities.

If you want to know more about any of the funds within this pathway, including details of fund charges and performance, visit our website [royallondon.com/pensioninvestments](https://royallondon.com/pensioninvestments) and take a look at the the relevant factsheet.

What is the pathway benchmark?

The benchmark is a target against which performance is measured.

A fund or portfolio benchmark can be an index or a mix of indices that typically represents the asset allocation of the fund or portfolio. This benchmark is regularly reviewed and may be updated by Royal London so that it remains appropriate for the underlying asset allocation or where a component index is discontinued or replaced.

The benchmark for this pathway is a composite of indices:

FTSE World Index	21.00%
FTSE All Share Index	6.00%
MSCI EM (Emerging Markets) Index	3.00%
ABI UK - UK Direct Property	7.50%
Bloomberg Commodity Index	5.00%
Markit iBoxx Sterling Non Gilts BBB Index	5.00%
BofA Merrill Lynch Global HY Constrained GBP Hedged Index	5.00%
Markitt iBoxx Sterling Non-Gilts Index	10.00%
Bloomberg Global Aggregate GBP Hedged Index	3.25%
ICE BofA Merrill Lynch 1-5 Year Sterling Non-Gilt Index	3.00%
FTSE Actuaries UK Index Linked Gilts (All Stocks) Index	5.00%
FTSE Actuaries UK Conventional Gilts (All Stocks) Index	9.75%
FTSE Actuaries UK Conventional Gilts up to 5 Years Index	1.50%
JP Morgan Global GBI Hedged Index	2.50%
70% Bloomberg World Government Inflation Linked Bond (ex UK) 1-10 year index/30% Bloomberg UK Government Inflation Linked Bond 1-10 Year Index	2.50%
Sterling Overnight Index Average (SONIA)	10.00%

## Changes to the pathway

The following table documents the last three changes that Royal London have made to this pathway.

Date of Change	Overview of change
20 March 2025	<b>Investment Pathway 3</b> We have further reduced the size of our overweight allocation to equities as the global macro picture continues to deteriorate. Global equities have continued to decline from their recent highs, with US stocks leading these losses. This deterioration in macro indicators has also seen us reduce exposure to high yield bonds. Elsewhere we maintain an overweight to commodities, which have resumed outperformance amid rising geopolitical tensions over the last month.
20 February 2025	<b>Investment Pathway 3</b> While we maintain an overweight position in global equities, we have reduced the size of this position, taking profits as investor sentiment normalises and markets return to all-time highs. Elsewhere, we have added to our overweight position in commodities; geopolitical risk is rising and precious metals in particular continue to benefit on strong fundamentals. We have reduced our allocation to bonds, moving further underweight as signs of inflationary pressures put upside risk on yields from here.
6 February 2025	<b>Investment Pathway 3</b> We maintain an overweight position in equities, having added recently on a contrarian buy signal. Despite a rise in market volatility, underlying macro economic conditions are supportive for stocks, with central banks easing policy and leading growth indicators in the US continuing to improve. We have added to our position in commodities, acknowledging rising geopolitical risks. We remain underweight bonds, signs of inflationary pressures could see yields rise from here.



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