



Investments factsheet

# Investment pathway 4

Risk Grading: Cautious

## What are investment pathways?

Investment pathways are investment solutions, designed for customers entering drawdown. 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 4?

Pathway 4 is designed to offer the potential for above inflation growth while supporting short-term withdrawal needs.

## 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, they'll do this 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/pensioninvestments](https://royallondon.com/pensioninvestments)

## Who is this pathway designed for?

It's designed for someone who plans to take out all their money within the next five years and has a cautious 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 such advice and should confirm any costs beforehand.

It's important to remember that the value of investments can fall as well as rise and you could get back less than you put in.

## Where is the pathway invested?

The fund mix of the pathway as at 20<sup>th</sup> June 2024 is shown below:

Investment pathway 4	
RLP UK Corporate Bond	9.10%
RLP Global Corporate Bond	3.60%
RLP Short Duration UK Corporate Bond	12.60%
RLP UK Government Bond	9.05%
RLP Short Term Fixed Income	3.50%
RLP Global Government Bond	2.60%
RLP Short Duration UK Government Bond	9.95%
RLP Property	4.15%
RLP UK Index Linked	2.10%
RLP Short Duration Global Index Linked	7.25%
RLP Deposit	2.10%
RLP Global High Yield Bond	6.90%
RLP Short Duration Global High Yield	1.50%
RLP Commodity	5.00%
RLP Absolute Return Government Bond	4.60%
RLP Global Managed	16.00%

The Global Managed fund invests in UK, Global and Emerging Market equities. The current benchmark split is 25% UK Equities, 65% Global Equities and 10% Emerging Markets 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](http://royallondon.com/pensioninvestments) and take a look at the relevant factsheet.

## What is the pathway benchmark?

The benchmark is a target against which performance is measured.

This benchmark is regularly reviewed and may be updated by Royal London so that it remains appropriate for the investor profile as detailed in the section "**Who is this pathway designed for?**" or where a component index is discontinued or replaced.

The benchmark for this pathway is a composite of indices:

FTSE World Index	8.12%
FTSE All Share Index	3.13%
MSCI Emerging Markets ESG Index	1.25%
ABI UK - UK Direct Property	5.00%
Bloomberg Commodity Index	5.00%
BofA Merrill Lynch Global HY Constrained GBP Hedged Index	7.50%
Markitt iBoxx Sterling Non-Gilt Index	9.00%
Bloomberg Global Aggregate GBP Hedged Index	3.50%
ICE BofA Merrill Lynch 1-5 Year Sterling Non-Gilt Index	12.50%
FTSE Actuaries UK Index Linked Gilts (All Stocks) Index	2.50%
30% Bloomberg UK Government Inflation Linked Bond 1-10 year Index /70% Bloomberg World Government Inflation Linked Bond (ex UK) 1-10 year Index	7.50%
FTSE Actuaries UK Conventional Gilts (All Stocks) Index	9.50%
JPMorgan Global GBI Hedged Index	3.00%
FTSE Actuaries UK Conventional Gilts up to 5 Years Index	10.00%
Sterling Overnight Index Average (SONIA)	12.50%

## 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
20/06/2024	<b>Investment pathway 4</b> Global equities have continued to rebound over recent weeks, moving to fresh highs despite increased political risk in Europe. We have increased our allocation to stocks, moving further overweight as positive earnings continue to drive markets higher. Elsewhere, we maintain a neutral allocation to commodities; supply remains tight however signs of waning demand are a headwind against the asset class. We also maintain an underweight position to government bonds.
06/06/2024	<b>Investment pathway 4</b> Equity markets have recovered a long way from their April lows. Having increased our overweight position in stocks as investor sentiment moved to overly depressed levels during the April dip, we have since reduced the size of this position, taking profits as markets have recovered and our measure of investor sentiment back to neutral levels. We have also reduced our allocation to commodities, moving to a neutral position in the asset class as an increase in supply and waning demand has put the asset class under pressure. Elsewhere we remain underweight bonds and property.
09/05/2024	<b>Investment pathway 4</b> With growth data relatively resilient and inflation data remaining stronger than expected, markets have moved to fear that interest rates may stay higher for longer than previously expected. We have moved to a modest overweight position in commodities, which tend to outperform in this macro environment. We remain overweight equities but have taken profits and reduced the size of this position as the macro tailwinds supporting the asset class continue to fade. Elsewhere we remain underweight bonds and property.



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