



## Investment Factsheet

# Investment Pathway 4

## Risk Grading: Cautious

### 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 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.

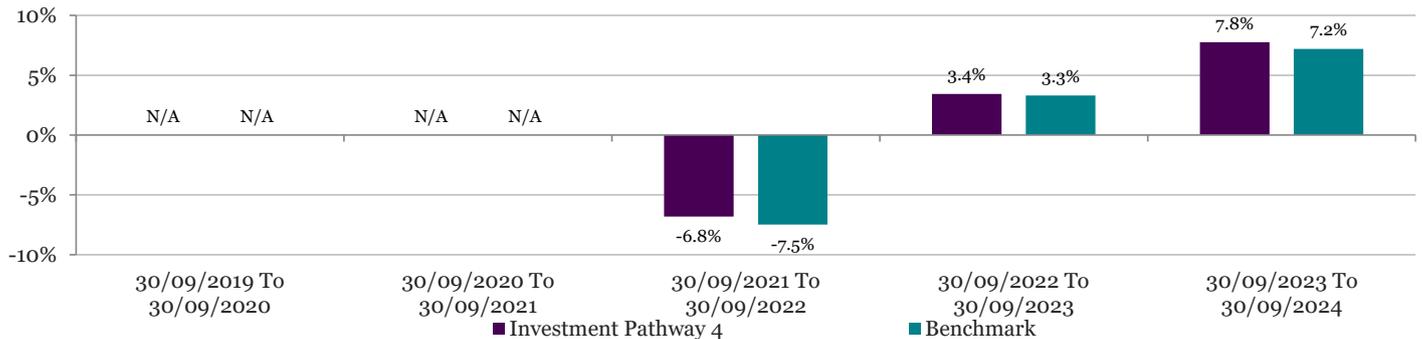
If our experts decide that the mix of assets needs to be adjusted, this happens automatically on your behalf, so you don't need to do anything. And, this service comes at no extra cost.

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 30.09.2024. 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 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 this type of advice so you should confirm any costs beforehand.

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

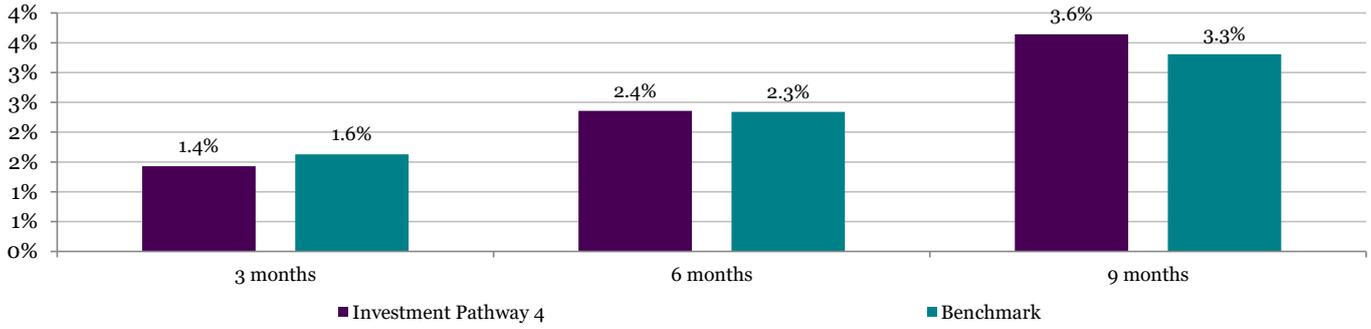
The fund management charge is 1.00%.

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.

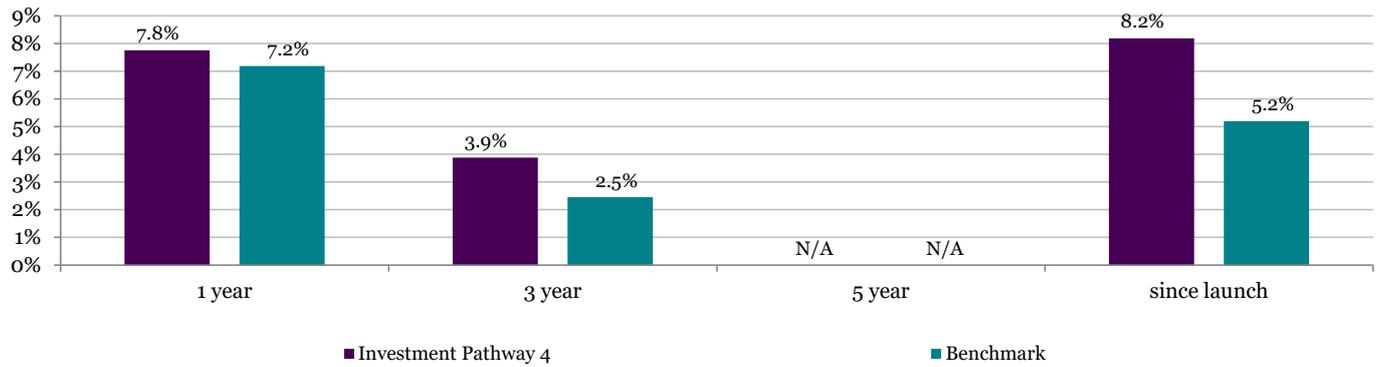
You could have less money in your fund when you come to take it than you have currently.

## Pathway performance against benchmark continued

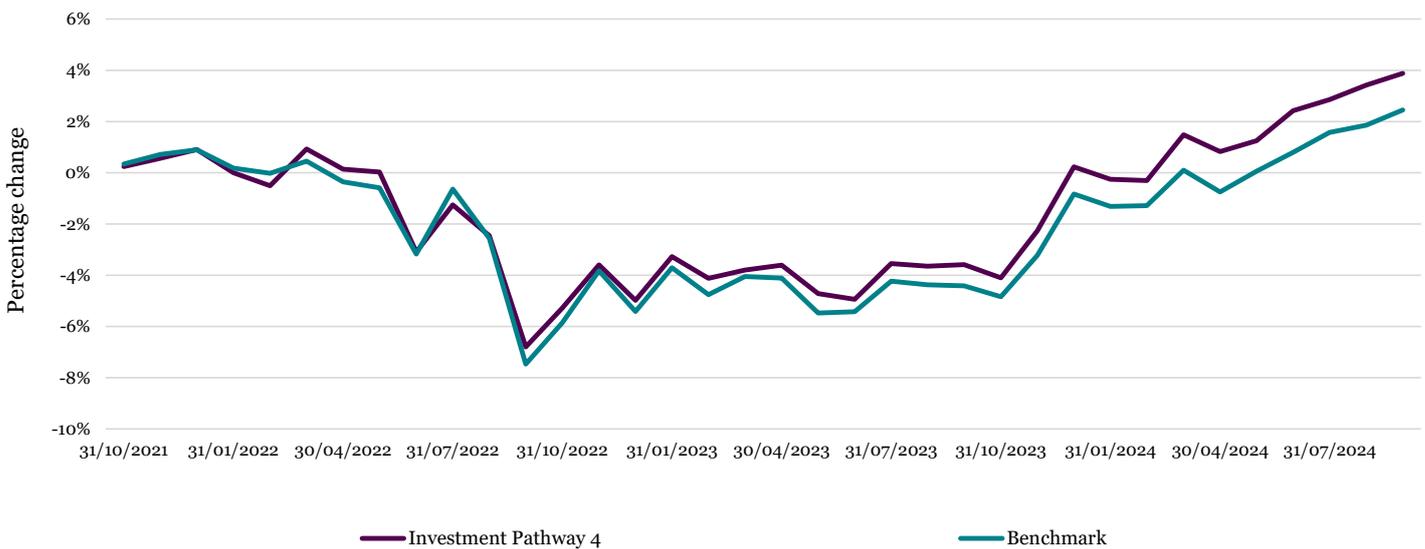
Shorter term:



Longer term:



3 year performance history:



Source: Lipper, Royal London, as at 30.09.2024. 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 19 September 2024 is shown below:

Investment Pathway 4	
RLP Global Managed	14.50%
RLP Short Duration UK Corporate Bond	12.95%
RLP Short Duration UK Government Bond	10.30%
RLP UK Corporate Bond	9.45%
RLP UK Government Bond	9.45%
RLP Short Duration Global Index Linked	7.65%
RLP Global High Yield Bond	6.90%
RLP Absolute Return Government Bond	4.60%
RLP Property	4.25%
RLP Global Corporate Bond	3.95%
RLP Commodity	3.75%
RLP Short Term Fixed Income	3.50%
RLP Global Government Bond	3.00%
RLP UK Index Linked	2.50%
RLP Deposit	1.75%
RLP Short Duration Global High Yield	1.50%

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	8.75%
FTSE All Share Index	2.50%
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-Gilts 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%
FTSE Actuaries UK Conventional Gilts up to 5 Years Index	10.00%
FTSE Actuaries UK Conventional Gilts (All Stocks) Index	9.50%
JP Morgan Global GBI Hedged Index	3.00%
Sterling Overnight Index Average (SONIA)	12.50%
70% Bloomberg World Government Inflation Linked Bond (ex UK) 1-10 year index/30% Bloomberg UK Government Inflation Linked Bond 1-10 Year Index	7.50%

## 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
19 September 2024	<b>Investment Pathway 4</b> Global equities have risen back to near all-time highs after some weakness earlier in the month; we remain modestly overweight stocks in the current backdrop. With global growth showing signs of softening and central bank rate cuts on the way, we have increased our overweight in government bonds. We remain underweight commodities that are expected to underperform in the current phase of the business cycle.
5 September 2024	<b>Investment Pathway 4</b> Global equities recovered sharply from their early August sell-off and investor sentiment has normalised. Furthermore, we have seen global growth show signs of weakening. Against this backdrop we have reduced the size of our overweight position in stocks, taking profits as macro support withdraws. We have also deepened our underweight position in commodities, as China demand continues to disappoint, and inflation falls. We have added to bonds, which typically perform well in this macro environment.
15 August 2024	<b>Investment Pathway 4</b> Equity markets have been volatile over recent weeks, with fears centred around US recession. We remain modestly overweight equities, with our measure of investor sentiment having moved to overly bearish levels following on from the recent spike in volatility. We have added to our position in bonds, taking our position to neutral as we expect further rate cuts from major central banks. Elsewhere, we have added to commodities as geopolitical tensions continue to rise.



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