



GOVERNED RANGE MODERATELY CAUTIOUS LIFESTYLE STRATEGY FACTSHEET

What is a Lifestyle Strategy?

As you approach your retirement date, you'll probably want to reduce your investment risk. This Lifestyle Strategy is designed to help you do that. Your investments are gradually switched from higher to lower risk portfolios as you get closer to retirement.

The Lifestyle Strategy is not compulsory. You can start or stop it at any time, but it must apply to all contributions to your plan.

What governance process is in place?

Your Lifestyle Strategy 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 risk category - and to make sure it is performing in line with its overall objectives - aiming to give you the best returns. The value of your investment can go down as well as up and you may not get back the value of the original investment.

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

For full details of our governance process please visit our website at royallondon.com/pensioninvestments.

Who is this strategy designed for?

It has been designed for investors with a moderately 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 to give you an idea of your attitude to risk.

If you are in any doubt about the suitability of any particular type of investment, you should seek professional financial advice. Advisers may charge for providing such advice and should confirm any costs beforehand.

What is the investment objective?

This strategy aims to deliver above inflation growth in the value of the fund at retirement, whilst taking a level of risk consistent with a moderately cautious risk attitude.

Where is the strategy invested?

The strategy is invested in the Governed Portfolios shown. The mix of assets in each Governed Portfolio may change at any time in the future if our investment experts decide that a different blend of assets is more appropriate. It's an automatic process and there's no charge for it.

You will be automatically invested into the strategy at the point that matches your time to retirement.

As you approach retirement your money is automatically switched to ensure a gradual move between the portfolios and fund splits shown below. The switching occurs on a monthly basis on, or as close as possible to, the date on which your birthday falls.

Fund splits as at 18th October 2018 are shown in the following table:

Moderately Cautious Lifestyle Strategy	
Investment information 15 Years or more from retirement:	
Governed Portfolio 4	
RLP Cash Plus	1.09%
RLP Property	17.50%
RLP Deposit	2.51%
RLP Long (15yr) Gilt	1.40%
RLP Long (15yr) Corporate Bond	1.27%
RLP Long (15yr) Index Linked	0.83%
RLP Global High Yield Bond	0.15%
RLP Short Duration Global High Yield	0.75%
RLP Commodity	4.50%
RLP Global Managed	70.00%
Investment information 10 Years from retirement:	
Governed Portfolio 5	
RLP Cash Plus	1.87%
RLP Property	15.00%
RLP Deposit	2.13%
RLP Medium (10yr) Gilt	3.00%
RLP Medium (10yr) Corporate Bond	6.00%
RLP Medium (10yr) Index Linked	5.00%
RLP Global High Yield Bond	2.05%
RLP Short Duration Global High Yield	1.95%
RLP Commodity	4.50%
RLP Absolute Return Government Bond	1.00%
RLP Global Managed	57.50%

Investment information 5 Years from retirement:	
Governed Portfolio 3	
RLP Cash Plus	5.55%
RLP Property	5.00%
RLP Deposit	1.65%
RLP Short (5yr) Corporate Bond	17.67%
RLP Short (5yr) Gilt	14.16%
RLP Short (5yr) Index Linked	16.67%
RLP Global High Yield Bond	9.15%
RLP Short Duration Global High Yield	2.65%
RLP Commodity	4.50%
RLP Absolute Return Government Bond	6.00%
RLP Global Managed	17.00%
Investment information at retirement:	
RLP Deposit	100.00%

If you want to know more about any of the funds or Governed Portfolios within this Lifestyle Strategy, including details of fund charges, please visit our website royallondon.com/pensioninvestments and view the relevant factsheet.

Details of changes to the strategy

The following table documents the last 3 changes that Royal London have made to the portfolios within this strategy.

Effective Date of Change	Overview of Changes
18/10/2018	<p>Governed Portfolio 4</p> <p>A selloff in global equity markets has pushed our investor sentiment indicator deep into panic territory; in response, we began contrarian purchases of stocks, as our models are constructive on world growth and risks related to inflation and interest rates do not seem strong. We also increased commodities exposure following recent underperformance, while remaining below benchmark. These purchases were funded from government bonds and cash. With US fiscal policy loose, interest rates low elsewhere in developed markets and China easing policy, we expect the global economic expansion to continue into 2019 and this to be supportive for equities.</p>
18/10/2018	<p>Governed Portfolio 5</p> <p>A selloff in global equity markets has pushed our investor sentiment indicator deep into panic territory; in response, we began contrarian purchases of stocks, as our models are constructive on world growth and risks related to inflation and interest rates do not seem strong. We also increased commodities exposure following recent underperformance, while remaining below benchmark. These purchases were funded from government bonds and cash. With US fiscal policy loose, interest rates low elsewhere in developed markets and China easing policy, we expect the global economic expansion to continue into 2019 and this to be supportive for equities.</p>

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20/09/2018	<p>Governed Portfolio 4</p> <p>With inflation continuing to rise and global growth cooling, we continue to de-risk our portfolios by reducing exposures to stocks and commodities, moving the latter allocation to an underweight relative to the benchmark. The proceeds were moved into government bonds, short dated high yield debt and cash. With no central banks in a hurry to tighten policy, we'd probably buy stocks on weakness, as we expect the business expansion to continue in 2019.</p>
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16/08/2018	<p>Governed Portfolio 4</p> <p>A currency crisis in Turkey has rattled global stock markets. Before the selloff, our multi asset funds were already positioned relatively defensively, with the smallest overweight in equities since 2012 and favouring the US over emerging markets. We continued to reduce exposures to stocks and commodities, bringing the latter allocation into line with the benchmark. The proceeds were moved into government bonds, both conventional and index linked, and cash. We will look to add back to stocks in coming months. We are modestly overweight global equities and short dated global high yield bonds.</p>

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All literature about products that carry the Royal London brand is available in large print format on request to the Marketing Department at Royal London, St Andrew House, 1 Thistle Street, Edinburgh EH2 1DG. All of our printed products are produced on stock which is from FSC® certified forests.

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