



GOVERNED RANGE CAUTIOUS LIFESTYLE STRATEGY (ANNUITY) 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 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 and income at retirement, assuming 25% is taken in cash and 75% is used to purchase an annuity. The strategy aims to invest with a level of risk consistent with a 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 16th August 2018 are shown in the following table:

Cautious Lifestyle Strategy (Annuity)	
Investment information 15 Years or more from retirement:	
Governed Portfolio 1	
RLP Cash Plus	1.93%
RLP Property	17.50%
RLP Deposit	2.29%
RLP Long (15yr) Gilt	4.53%
RLP Long (15yr) Corporate Bond	5.25%
RLP Long (15yr) Index Linked	5.00%
RLP Global High Yield Bond	2.05%
RLP Short Duration Global High Yield	1.70%
RLP Commodity	5.00%
RLP Absolute Return Government Bond	1.00%
RLP Global Managed	53.75%
Investment information 10 Years from retirement:	
Governed Portfolio 2 (Annuity)	
RLP Cash Plus	3.55%
RLP Property	12.50%
RLP Deposit	1.45%
RLP Long (15yr) Gilt	5.74%
RLP Medium (10yr) Gilt	1.92%
RLP Medium (10yr) Corporate Bond	2.54%
RLP Long (15yr) Corporate Bond	7.63%
RLP Medium (10yr) Index Linked	2.29%
RLP Long (15yr) Index Linked	6.88%
RLP Global High Yield Bond	2.15%
RLP Short Duration Global High Yield	1.85%
RLP Commodity	5.00%
RLP Absolute Return Government Bond	3.00%
RLP Global Managed	43.50%

Investment information 5 Years from retirement:	
Governed Portfolio 3 (Annuity)	
RLP Cash Plus	5.55%
RLP Property	5.00%
RLP Deposit	1.45%
RLP Long (15yr) Gilt	7.58%
RLP Medium (10yr) Gilt	7.58%
RLP Medium (10yr) Corporate Bond	8.83%
RLP Long (15yr) Corporate Bond	8.84%
RLP Medium (10yr) Index Linked	8.33%
RLP Long (15yr) Index Linked	8.34%
RLP Global High Yield Bond	9.15%
RLP Short Duration Global High Yield	2.35%
RLP Commodity	5.00%
RLP Absolute Return Government Bond	6.00%
RLP Global Managed	16.00%
Investment information at retirement:	
Annuity Retirement	
RLP Annuity	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
16/08/2018	<p>Governed Portfolio 1</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, short dated high yield debt 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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12/07/2018	<p>Governed Portfolio 1</p> <p>Our Investment Clock may enter its 'Stagflation' phase during summer, as inflation tracks slightly higher while global growth cools, especially outside the US. Stocks are flat year-to-date after a burst of volatility that marked a global growth peak; a deteriorating economic backdrop and talk of trade wars signal further volatility. We continued to take profits on our equities position, where the overweight is the lowest since 2012, and reduced our overweight commodities allocation; the proceeds were moved into government bonds and cash, reducing underweights. We are modestly overweight global equities, global high yield bonds and commodities.</p>

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07/06/2018	<p>Governed Portfolio 1 Our Investment Clock remains in its 'Overheat' phase, with greater risk of inflation, although there are indications of economic weakness outside the US. We expect stocks to trade in a range over summer; investor sentiment, having been very fearful in February, is now neutral. After capitalising on weak markets in the first quarter to increase equity exposures, we have been taking profits on our overweight position as prices recovered, moving the proceeds into cash. Longer term, we remain positive on stocks but more cautious on government bonds. We are moderately overweight global equities, global high yield bonds and commodities.</p>
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08/10/2015	<p>Annuity Retirement We have replaced the allocation of 75% RLP Medium Index Linked and 25% RLP Deposit with a 100% allocation to RLP Annuity. This fund provides greater diversification and is designed to produce better outcomes for customers.</p>

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