



## **GOVERNED RANGE MODERATELY CAUTIOUS LIFESTYLE STRATEGY (DRAWDOWN) 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](https://royallondon.com/pensioninvestments).

### **Who is this strategy designed for?**

It has been designed for investors who want to use their fund to support a flexible income at retirement (known as drawdown) and have 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](https://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. It has been designed to support regular income withdrawals when you retire, whilst taking a level of risk consistent with a moderately cautious risk attitude.

### **Where is the strategy invested?**

The strategy is invested in the portfolios shown. The mix of assets in each 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 8th February 2018 are shown in the following table:

<b>Moderately Cautious Lifestyle Strategy (Drawdown)</b>	
Investment information 15 Years or more from retirement:	
<b>Governed Portfolio 4</b>	
RLP Property	15.75%
RLP Long (15yr) Gilt	0.50%
RLP Long (15yr) Corporate Bond	1.05%
RLP Long (15yr) Index Linked	0.50%
RLP Global High Yield Bond	0.35%
RLP Short Duration Global High Yield	0.60%
RLP Commodity	6.25%
RLP Global Managed	75.00%
Investment information 10 Years from retirement:	
<b>Governed Portfolio 5 (Drawdown)</b>	
RLP Cash Plus	3.00%
RLP Property	15.00%
RLP Long (15yr) Gilt	0.38%
RLP Medium (10yr) Gilt	0.12%
RLP Medium (10yr) Corporate Bond	1.50%
RLP Long (15yr) Corporate Bond	4.50%
RLP Medium (10yr) Index Linked	0.31%
RLP Long (15yr) Index Linked	0.94%
RLP Global High Yield Bond	2.12%
RLP Short Duration Global High Yield	1.63%
RLP Commodity	7.00%
RLP Absolute Return Government Bond	1.00%
RLP Global Managed	62.50%

Investment information 5 Years from retirement:	
<b>Governed Portfolio 3 (Drawdown)</b>	
RLP Cash Plus	6.80%
RLP Property	5.00%
RLP Long (15yr) Gilt	4.33%
RLP Medium (10yr) Gilt	4.33%
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	9.25%
RLP Short Duration Global High Yield	2.25%
RLP Commodity	7.00%
RLP Absolute Return Government Bond	5.70%
RLP Global Managed	21.00%
Investment information at retirement:	
<b>Governed Retirement Income Portfolio 2</b>	
RLP Sterling Extra Yield Bond	3.75%
RLP Cash Plus	9.50%
RLP Property	7.50%
RLP Medium (10yr) Gilt	7.00%
RLP Medium (10yr) Corporate Bond	16.00%
RLP Medium (10yr) Index Linked	15.00%
RLP Global High Yield Bond	4.20%
RLP Short Duration Global High Yield	1.05%
RLP Commodity	7.00%
RLP Absolute Return Government Bond	3.00%
RLP Global Managed	26.00%

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](http://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
08/02/2018	<b>Governed Portfolio 4</b> As our Investment Clock moves further into 'Overheat' territory, we have added to equities at the margin and also added to commodities again, funded out of property. While the supply-demand balance is favourable for commodities, potential for weaker demand in China, the world's biggest consumer of raw materials, is a concern. The sell-off in equities that began at the end of January seems exaggerated, and we are buying at lower levels, in expectation of a recovery in coming months as the world economy keeps expanding. We will look to maintain an overweight allocation to stocks.
08/02/2018	<b>Governed Portfolio 5 (Drawdown)</b> As our Investment Clock moves further into 'Overheat' territory, we have added to equities at the margin and also added to commodities again, funded out of bonds. While the supply-demand balance is favourable for commodities, potential for weaker demand in China, the world's biggest consumer of raw materials, is a concern. The sell-off in equities that began at the end of January seems exaggerated, and we are buying at lower levels, in expectation of a recovery in coming months as the world economy keeps expanding. We will look to maintain an overweight allocation to stocks.

Effective Date of Change	Overview of Changes
08/02/2018	<b>Governed Portfolio 3 (Drawdown)</b> As our Investment Clock moves further into 'Overheat' territory, we have added to equities at the margin and also added to commodities again, funded out of bonds. While the supply-demand balance is favourable for commodities, potential for weaker demand in China, the world's biggest consumer of raw materials, is a concern. The sell-off in equities that began at the end of January seems exaggerated, and we are buying at lower levels, in expectation of a recovery in coming months as the world economy keeps expanding. We will look to maintain an overweight allocation to stocks.
08/02/2018	<b>Governed Retirement Income Portfolio 2</b> As our Investment Clock moves further into 'Overheat' territory, we have added to equities at the margin and also added to commodities again, funded out of bonds. While the supply-demand balance is favourable for commodities, potential for weaker demand in China, the world's biggest consumer of raw materials, is a concern. The sell-off in equities that began at the end of January seems exaggerated, and we are buying at lower levels, in expectation of a recovery in coming months as the world economy keeps expanding. We will look to maintain an overweight allocation to stocks.

*continued on next page...*

<b>Effective Date of Change</b>	<b>Overview of Changes</b>
18/01/2018	<p><b>Governed Portfolio 4</b></p> <p>A combination of our 'Investment Clock' moving further into 'Overheat' and positive price momentum mean that we have added to commodities at the margin, funded out of bonds. Nevertheless, we remain cautious on commodities as the Chinese economy is likely to slow, and recent US dollar weakness could reverse, in line with interest rate differentials. We will look to maintain our overweight position in stocks; with investor sentiment so positive, we do not rule out a short-term set-back and we would use such an opportunity to increase our equity allocation.</p>
18/01/2018	<p><b>Governed Portfolio 5 (Drawdown)</b></p> <p>A combination of our 'Investment Clock' moving further into 'Overheat' and positive price momentum mean that we have added to commodities at the margin, funded out of bonds. Nevertheless, we remain cautious on commodities as the Chinese economy is likely to slow, and recent US dollar weakness could reverse, in line with interest rate differentials. We slightly increased the position in high yield bonds. We will look to maintain our overweight position in stocks; with investor sentiment so positive, we do not rule out a short-term set-back and we would use such an opportunity to increase our equity allocation.</p>

<b>Effective Date of Change</b>	<b>Overview of Changes</b>
18/01/2018	<p><b>Governed Portfolio 3 (Drawdown)</b></p> <p>A combination of our 'Investment Clock' moving further into 'Overheat' and positive price momentum mean that we have added to commodities at the margin, funded out of bonds. Nevertheless, we remain cautious on commodities as the Chinese economy is likely to slow, and recent US dollar weakness could reverse, in line with interest rate differentials. We slightly increased the position in high yield bonds. We will look to maintain our overweight position in stocks; with investor sentiment so positive, we do not rule out a short-term set-back and we would use such an opportunity to increase our equity allocation.</p>
18/01/2018	<p><b>Governed Retirement Income Portfolio 2</b></p> <p>A combination of our 'Investment Clock' moving further into 'Overheat' and positive price momentum mean that we have added to commodities at the margin, funded out of bonds. Nevertheless, we remain cautious on commodities as the Chinese economy is likely to slow, and recent US dollar weakness could reverse, in line with interest rate differentials. We slightly increased the position in high yield bonds. We will look to maintain our overweight position in stocks; with investor sentiment so positive, we do not rule out a short-term set-back and we would use such an opportunity to increase our equity allocation.</p>

*continued on next page...*

<b>Effective Date of Change</b>	<b>Overview of Changes</b>
16/11/2017	<b>Governed Portfolio 4</b> There are signs that growth is picking up, against a backdrop of loose monetary policy and low inflation. Against such a backdrop, central banks are unlikely to tighten in a meaningful way; this is positive for stocks and high yield, where we remain overweight. With seasonality now positive, we are likely to buy dips in stock markets rather than sell rallies. We've marginally increased our underweight in bonds and taken some profits in high yield. We have added to commodities at the margin.
16/11/2017	<b>Governed Portfolio 5 (Drawdown)</b> There are signs that growth is picking up, against a backdrop of loose monetary policy and low inflation. Against such a backdrop, central banks are unlikely to tighten in a meaningful way; this is positive for stocks and high yield, where we remain overweight. With seasonality now positive, we are likely to buy dips in stock markets rather than sell rallies. We've marginally increased our underweight in bonds and taken some profits in high yield. We have added to commodities at the margin.

<b>Effective Date of Change</b>	<b>Overview of Changes</b>
16/11/2017	<b>Governed Portfolio 3 (Drawdown)</b> There are signs that growth is picking up, against a backdrop of loose monetary policy and low inflation. Against such a backdrop, central banks are unlikely to tighten in a meaningful way; this is positive for stocks and high yield, where we remain overweight. With seasonality now positive, we are likely to buy dips in stock markets rather than sell rallies. We've marginally increased our underweight in bonds and taken some profits in high yield. We have added to commodities at the margin.
16/11/2017	<b>Governed Retirement Income Portfolio 2</b> There are signs that growth is picking up, against a backdrop of loose monetary policy and low inflation. Against such a backdrop, central banks are unlikely to tighten in a meaningful way; this is positive for stocks and high yield, where we remain overweight. With seasonality now positive, we are likely to buy dips in stock markets rather than sell rallies. We've marginally increased our underweight in bonds and taken some profits in high yield. We have added to commodities at the margin.

**Royal London**  
1 Thistle Street, Edinburgh EH2 1DG  
**royallondon.com**

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.

The Royal London Mutual Insurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered in England and Wales number 99064. Registered office: 55 Gracechurch Street, London, EC3V 0RL. Royal London Marketing Limited is authorised and regulated by the Financial Conduct Authority and introduces Royal London's customers to other insurance companies. The firm is on the Financial Services Register, registration number 302391. Registered in England and Wales number 4414137. Registered office: 55 Gracechurch Street, London, EC3V 0RL. Royal London Corporate Pension Services Limited is authorised and regulated by the Financial Conduct Authority and provides pension services. The firm is on the Financial Services Register, registration number 460304. Registered in England and Wales number 5817049. Registered office: 55 Gracechurch Street, London, EC3V 0RL.