



GOVERNED RANGE GOVERNED RETIREMENT INCOME PORTFOLIO 5 FACTSHEET

Risk Grading : Risk Rating 5

What is a Governed Retirement Income Portfolio?

Choosing a suitable portfolio of funds to meet your requirements can be difficult. Our range of Governed Retirement Income Portfolios is designed to help with exactly that.

A Governed Retirement Income Portfolio matches your risk attitude to a suitable mix of assets and funds. There are five portfolios to choose from so you can select the one that best suits your risk attitude.

What governance process is in place?

Your portfolio 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 portfolio designed for?

It is designed for someone who is taking income from their plan and can accept a level of uncertainty in their future income consistent with a risk rating 5 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 portfolio aims to deliver growth above inflation to support regular income withdrawals, whilst taking a level of risk consistent with a risk rating 5 risk attitude.

Where is the portfolio invested?

The fund mix of the portfolio as at 10th May 2018 is shown below:

Governed Retirement Income Portfolio 5	
RPL Sterling Extra Yield Bond	8.75%
RPL Cash Plus	4.55%
RPL Property	10.00%
RPL Medium (10yr) Gilt	0.50%
RPL Medium (10yr) Corporate Bond	3.50%
RPL Medium (10yr) Index Linked	0.50%
RPL Global High Yield Bond	8.80%
RPL Short Duration Global High Yield	1.15%
RPL Commodity	6.75%
RPL Absolute Return Government Bond	1.00%
RPL Global Managed	54.50%

The Global Managed fund invests in UK and Overseas equities. The current benchmark split is 50% UK Equities and 50% Overseas Equities. You can replace the Global Managed pension fund with an alternative equity fund or funds from the Royal London Pensions fund range.

If you want to know more about any of the funds within your portfolio, including details of fund charges, please visit our website royallondon.com/pensioninvestments and view the relevant fund factsheet.

Does the portfolio rebalance?

This portfolio rebalances monthly. If a portfolio is not rebalanced regularly, the asset mix can drift significantly over time changing the suitability of the portfolio.

What is the portfolio 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 portfolio designed for?**" or where a component index is discontinued or replaced.

The benchmark for this portfolio is a composite of indices:

FTSE All Share Index	25.00%
FTSE All World ex UK Index	25.00%
ABI UK - UK Direct Property	10.00%
Various iBoxx Sterling Non Gilts Indices that are blended together to reflect a 10 year investment horizon	2.50%
Markit iBoxx Sterling Non Gilts BBB Index	8.75%
BofA Merrill Lynch European Currency HY Hedged Index	8.75%
Bloomberg Commodity Index	5.00%
Various FTSE Actuaries UK Conventional Gilt Indices that are blended together to reflect a 10 year investment horizon	2.50%
Various FTSE Actuaries UK Index-Linked Gilt Indices that are blended together to reflect a 10 year investment horizon	2.50%
LIBID GBP 7 Day Index	10.00%

Details of changes to the portfolio

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

Effective Date of Change	Overview of Changes
10/05/2018	<p>Governed Retirement Income Portfolio 5</p> <p>Our Investment Clock remains in its 'Overheat' phase, with increased risk of inflation, although the global economy is showing some signs of slowing. With investor sentiment staying neutral, we have taken further profits on the extra equities purchases made during the market lows; we also reduced the overweight allocation to commodities. Proceeds of these sales were moved into cash. Longer term, we remain positive on stocks and are overweight global equities, global high yield bonds and commodities.</p>
19/04/2018	<p>Governed Retirement Income Portfolio 5</p> <p>Our Investment Clock remains in the early stages of its 'Overheat' phase, with a robust worldwide economic expansion and increased risk of inflation. Following considerable volatility in markets in recent weeks, portfolio activity focused on risk management. We have reduced our overweight allocation to equities, with the proceeds moved into cash. With economies continuing to expand and inflation remaining benign, we are overweight global equities, global high yield bonds and commodities.</p>

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Effective Date of Change	Overview of Changes
08/03/2018	<p>Governed Retirement Income Portfolio 5</p> <p>Our Investment Clock is in the later cycle 'Overheat' stage, with strong global growth and more risk of inflation. We have added to equities again, capitalising on stock market weakness and given that supportive world growth conditions remain in place. The change was funded out of high yield debt and cash. With economies continuing to expand and inflation remaining benign, we are overweight global equities, global high yield bonds and commodities.</p>

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