



GOVERNED RANGE GOVERNED PORTFOLIO DEFENSIVE FACTSHEET

What is the investment objective?

This portfolio aims to deliver above inflation growth, whilst taking a low level of investment risk relative to the other portfolios in the Governed Portfolio range. Investment risk is a measure of the expected volatility. On a scale rating the investment risk of Governed Portfolios from 1 to 7, with 1 being the lowest, this portfolio is a 1. The portfolio invests in a range of asset classes, that can include, but is not limited to equities, fixed interest, cash, property and commodities.

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/pensions/investment-options/investment-governance.

What are the Governed Portfolios?

Our range of Governed Portfolios offers a choice of different investment risk levels for investors. Each portfolio aims to deliver above inflation growth, within a tightly controlled risk framework. The portfolios benefit from regular reviews and hands-on management from investment experts to help make sure they continue to meet their objectives.

The portfolios invest in a range of asset classes, that can include, but are not limited to equities, fixed interest, cash, property and commodities.

Which portfolio is right for you?

If you are not sure which portfolio is right for you, you can visit our online tool at royallondon.com/pensions/investment-options/risk-profiler to give you an idea of which portfolio may be appropriate for you.

If you are in doubt about the suitability of any particular type of investment, you should ask for advice from a financial adviser. Financial advisers may charge for their services - though they should agree any fees with you upfront.

Where is the portfolio invested?

The fund mix of the portfolio as at 24th April 2025 is shown below:

Governed Portfolio Defensive	
RLP UK Corporate Bond	9.30%
RLP Global Corporate Bond	3.50%
RLP Short Duration UK Corporate Bond	12.80%
RLP UK Government Bond	8.75%
RLP Short Term Fixed Income	2.30%
RLP Global Government Bond	2.45%
RLP Short Duration UK Government Bond	10.05%
RLP Property	5.15%
RLP UK Index Linked	2.15%
RLP Short Duration Global Index Linked	7.50%
RLP Deposit	6.70%
RLP Global High Yield Bond	6.82%
RLP Short Duration Global High Yield	1.28%
RLP Commodity	5.50%
RLP Absolute Return Government Bond	3.75%
RLP Global Managed	12.00%

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. 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 investment objective as detailed in the section '**What is the investment objective**' or where a component index is discontinued or replaced.

The benchmark for this portfolio is a composite of indices:

FTSE World Index (8.75%)/FTSE All Share Index (2.5%)	11.25%
MSCI EM (Emerging Markets) 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%
Markit iBoxx Sterling Non-Gilt Index (9.00%)/Bloomberg Global Aggregate GBP Hedged Index (3.50%)/ICE BofA Merrill Lynch 1-5 Year Sterling Non-Gilt Index (12.50%)	25.00%
FTSE Actuaries UK Index Linked Gilts (All Stocks) Index	2.50%
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%
FTSE Actuaries UK Conventional Gilts (All Stocks) Index	9.50%
JPMorgan Global GBI Hedged Index	3.00%
FTSE Actuaries UK Conventional Gilts up to 5 Years Index	10.00%
Sterling Overnight Index Average (SONIA)	12.50%

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
24/04/2025	Governed Portfolio Defensive We have reduced our equity exposure, moving to a slight underweight position as macro conditions continue to deteriorate. Equity market moves have been extreme and high levels of uncertainty remain. While it can pay to buy when others are fearful, things can get worse before they get better. We also remain underweight global high yield bonds and overweight short duration global high yield bonds, noting that recession risk remains elevated. Elsewhere, we have added to our exposure in commodities at the margin, which have recovered over recent weeks led by gold.

Effective Date of Change	Overview of Changes
10/04/2025	Governed Portfolio Defensive We have further reduced our allocation to equities. Sentiment is very depressed and equity markets have fallen sharply amid recent volatility. Historically, it has paid to buy when others are fearful but a sustained turnaround usually hinges on a positive policy change. Things can get worse before they get better. With equity weakness and the risk of recession seemingly part of Trump's strategy to put pressure on trading partners we think volatility is likely to remain high. Elsewhere we have reduced our allocation to commodities and increased our allocation to bonds, moving closer to neutral positions on these asset classes.
20/03/2025	Governed Portfolio Defensive We have further reduced the size of our overweight allocation to equities as the global macro picture continues to deteriorate. Global equities have continued to decline from their recent highs, with US stocks leading these losses. This deterioration in macro indicators has also seen us reduce exposure to high yield bonds. Elsewhere we maintain an overweight to commodities, which have resumed outperformance amid rising geopolitical tensions over the last month.

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