



GOVERNED RANGE GOVERNED PORTFOLIOS

Deciding where to invest your pension is one of the most important decisions you'll have to make. After all, the decisions you make now will ultimately affect your level of income in retirement. Here's just a sample of the things that should be considered.

SPREAD YOUR INVESTMENTS

Most experts agree that the best way to invest your pension savings is to have a spread of different types of investment. What does that mean? Well, you'll have heard the saying; "don't put all your eggs in one basket". The same applies to your investments.

Rather than putting all your money into one type of investment, you might decide to spread it over different types of assets such as equities (stocks & shares), bonds (loans to companies or governments who pay you back with interest at a later date) and deposits (cash investments that work a bit like a bank account). So if one investment type performs poorly, you won't be as badly affected. It's about getting the right asset mix for your investments.

THINK ABOUT HOW LONG YOU HAVE TO SAVE

The amount you invest in each type of investment is affected by the length of time you have to save. For example, if you're twenty something with plenty of time to save you might aim for maximum growth by investing more of your money in investments like equities. You should always remember that equities are a volatile investment, which means their value can go up and down regularly.

On the other hand, if you're lucky enough to have only a short time left to work before retirement you're not likely to want to risk losing your money. So you might prefer less volatile investments such as deposits which are designed not to fluctuate greatly in value.

CHOOSE INVESTMENTS THAT MATCH YOUR ATTITUDE TO RISK

Generally speaking, the more risk you're willing to take with your investments, the higher your potential return. But you also have a greater chance of losing some of your pension savings. Lower risk investments on the other hand can offer greater security but lower potential returns.

KEEP AN EYE ON YOUR INVESTMENTS

Don't make the mistake of thinking that you can choose your investments now then forget about them until you retire. It's quite likely that your needs will change with time so you need to keep an eye on how your investments are performing to make sure they still meet your needs.

Please remember that past performance is not a guide to the future. Investment returns may fluctuate and you might not get back the amount you originally invested.

This is just a sample of some of the things you'll need to think about. So, wouldn't it be helpful if there was an investment option that helps take care of all of this? Well there is, our Governed Portfolios. Read on to find out how this option can benefit you and take the hassle out of the above.

If after reading it you're still unsure of what to do, speak to a financial adviser who'll be able to help you select an investment that's suitable for you. Advisers may charge for providing such advice and should confirm any costs beforehand.

SO HOW DO THEY WORK?

The Governed Portfolios are a range of nine mixed asset portfolios which are suitable for different risk categories and terms to retirement.

You choose the one that is most applicable to your own risk category and term to retirement and our experts make sure it continues to meet its objectives.

ASSESSING YOUR RISK PROFILE

By using our simple to use risk profiler, available on the Royal London website, you can quickly get an idea of which one of our risk categories you fall into. Visit royallondon.com/riskattitude to find out more.

As time moves on and your circumstances change it is a good idea to pop back to our risk profiler and reassess your risk profile and recommended portfolio. If you're adventurous today you may not necessarily be adventurous in years to come, following changes to your circumstances.

WHAT ARE THE BENEFITS?

- **Experts monitoring your asset mix** – 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.
- **Automatic updates** – If our experts decide that the mix of assets need adjusted, it happens automatically on your behalf, you don't need to do anything. You can be confident that the portfolio continues to meet its objectives. What's more, this service comes at no extra cost.
- **Automatic rebalancing** – rebalancing is the process of making sure the asset mix of your investments is maintained following movements due to fund price changes. With a Governed Portfolio your assets are automatically adjusted every month to the original splits. You can take a hands free approach as this all happens automatically.
- **Flexibility** – The equity fund used within our Governed Portfolios is our Global Managed Pension fund. If you would prefer to pick your own equity fund then you have the option to select one or more equity funds within our range.
- **Regular communication** – it's easy for you to check on the portfolio. You can view details on the Governed Portfolios at royallondon.com.

GOVERNED PORTFOLIOS

	Time to retirement 		
Risk Category			
	Long	Medium	Short
Cautious	Governed Portfolio 1	Governed Portfolio 2	Governed Portfolio 3
	● 52.5% Equities	● 42.5% Equities	● 15.0% Equities
	● 17.5% Property	● 12.5% Property	● 5.0% Property
	● 5.0% Commodities	● 5.0% Commodities	● 5.0% Commodities
	● 2.5% High Yield Bonds	● 2.5% High Yield Bonds	● 10.0% High Yield Bonds
	● 5.0% Gilts	● 9.2% Gilts	● 16.7% Gilts
	● 5.0% Index Linked Gilts	● 9.2% Index Linked Gilts	● 16.7% Index Linked Gilts
	● 5.0% Corporate Bonds	● 9.2% Corporate Bonds	● 16.7% Corporate Bonds
	● 7.5% Absolute Return Strategies (incl cash)	● 10.0% Absolute Return Strategies (incl cash)	● 15.0% Absolute Return Strategies (incl cash)
Moderately Cautious	Governed Portfolio 4	Governed Portfolio 5	Governed Portfolio 3
	● 67.5% Equities	● 55.0% Equities	● 15.0% Equities
	● 17.5% Property	● 15.0% Property	● 5.0% Property
	● 5.0% Commodities	● 5.0% Commodities	● 5.0% Commodities
	● 1.7% Gilts	● 2.5% High Yield Bonds	● 10.0% High Yield Bonds
	● 1.7% Index Linked Gilts	● 5.0% Gilts	● 16.7% Gilts
	● 1.7% Corporate Bonds	● 5.0% Index Linked Gilts	● 16.7% Index Linked Gilts
	● 5.0% Absolute Return Strategies (incl cash)	● 5.0% Corporate Bonds	● 16.7% Corporate Bonds
	● 7.5% Absolute Return Strategies (incl cash)	● 15.0% Absolute Return Strategies (incl cash)	
Balanced	Governed Portfolio 4	Governed Portfolio 5	Governed Portfolio 6
	● 67.5% Equities	● 55.0% Equities	● 32.5% Equities
	● 17.5% Property	● 15.0% Property	● 12.5% Property
	● 5.0% Commodities	● 5.0% Commodities	● 5.0% Commodities
	● 1.7% Gilts	● 2.5% High Yield Bonds	● 2.5% High Yield Bonds
	● 1.7% Index Linked Gilts	● 5.0% Gilts	● 11.7% Gilts
	● 1.7% Corporate Bonds	● 5.0% Index Linked Gilts	● 11.7% Index Linked Gilts
	● 5.0% Corporate Bonds	● 11.7% Corporate Bonds	
	● 7.5% Absolute Return Strategies (incl cash)	● 12.5% Absolute Return Strategies (incl cash)	
Moderately Adventurous	Governed Portfolio 7	Governed Portfolio 5	Governed Portfolio 6
	● 80.0% Equities	● 55.0% Equities	● 32.5% Equities
	● 15.0% Property	● 15.0% Property	● 12.5% Property
	● 5.0% Commodities	● 5.0% Commodities	● 5.0% Commodities
		● 2.5% High Yield Bonds	● 2.5% High Yield Bonds
		● 5.0% Gilts	● 11.7% Gilts
		● 5.0% Index Linked Gilts	● 11.7% Index Linked Gilts
	● 5.0% Corporate Bonds	● 11.7% Corporate Bonds	
	● 7.5% Absolute Return Strategies (incl cash)	● 12.5% Absolute Return Strategies (incl cash)	
Adventurous	Governed Portfolio 7	Governed Portfolio 8	Governed Portfolio 9
	● 80.0% Equities	● 70.0% Equities	● 45.0% Equities
	● 15.0% Property	● 15.0% Property	● 10.0% Property
	● 5.0% Commodities	● 5.0% Commodities	● 5.0% Commodities
		● 1.7% Gilts	● 2.5% High Yield Bonds
		● 1.7% Index Linked Gilts	● 9.2% Gilts
		● 1.7% Corporate Bonds	● 9.2% Index Linked Gilts
	● 5.0% Absolute Return Strategies (incl cash)	● 9.2% Corporate Bonds	
		● 10.0% Absolute Return Strategies (incl cash)	

The Benchmark asset allocations are shown.

For current asset allocations please visit our website royallondon.com



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