



GOVERNED RANGE TARGET LIFESTYLE STRATEGIES

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 down and up 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.

MANAGING RISK AS RETIREMENT APPROACHES

As retirement approaches most people will want to reduce the risk to their retirement savings. If you are a like minded person, you could aim to gain maximum investment growth in the early years (often by investing in company stocks and shares). As retirement approaches, you can then change your investments gradually into less risky funds to help reduce exposure to the stock market and protect the gains you may have already accumulated.

Please remember that investment returns are not guaranteed. Prices may go down as well as up and you might not get back the original amount that you invested.

This is just a sample of some of the things you'll need to think about. Read on to find out how our Target Lifestyle Strategies could help you.

NEED HELP?

If after reading 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 TARGET LIFESTYLE STRATEGIES WORK?

The Target Lifestyle Strategies are designed to reduce investment risk as retirement approaches by gradually switching from higher to lower risk investments. This switching happens automatically once a month to reduce the risk of being disadvantaged by extreme market movements. You will be automatically invested into the strategy at the point that matches your time to retirement.

Choose your investment objective

You can choose to target either cash, annuity or drawdown. This will depend on how you plan to use your retirement savings and your choice will impact on the mix of assets you invest in as you approach retirement.

Matching a lifestyle strategy to attitude to risk

There are different risk-graded Target Lifestyle Strategies available depending on your 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/riskattitude to give you an idea of your risk category.

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.

Where are the strategies invested?

Each strategy invests in our Governed Portfolios which in turn are invested across a spread of assets such as equities, bonds, index linked gilts and property. All the funds within the Governed Portfolios are managed by Royal London Asset Management. Further information on the portfolios can be found in our Governed Portfolios leaflet.

Reviewing the investments

The Target Lifestyle Strategies come with ongoing governance. This simply means that our investment experts check them regularly. It allows us to maintain the best mix of assets in line with the risk category – and to make sure they are performing in line with their overall objectives – aiming to give you the best returns. Investment returns may fluctuate and are not guaranteed. If our experts decide that the mix of assets need adjusted, it happens automatically on your behalf, you don't need to do anything.

The Target Lifestyle Strategies can be seen below, along with details of each of the Governed Portfolios they invest in.

TARGET LIFESTYLE STRATEGY

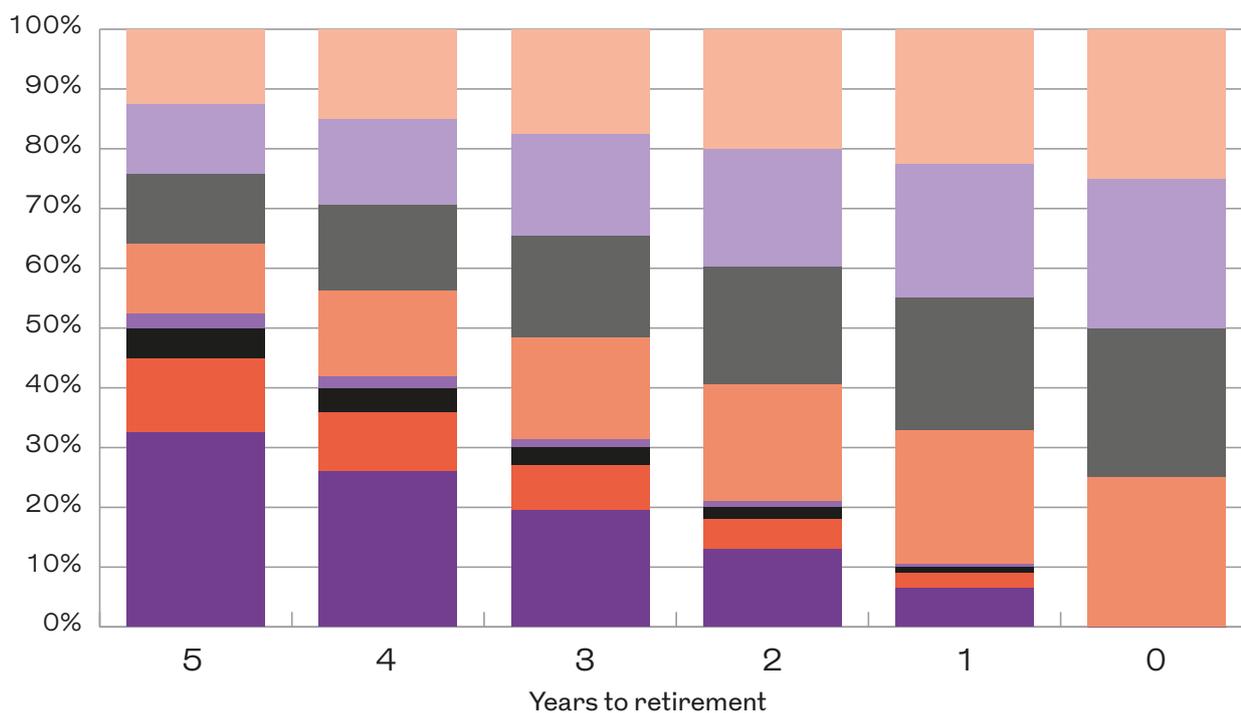
Risk Category	Your Lifestyle Journey			
	At 15 yrs +	At 10 yrs	At 5 yrs	Retirement
Cautious	Governed Portfolio 1	Governed Portfolio 2 *	Governed Portfolio 3 *	Target Cash, Target Annuity, Target Drawdown
Moderately Cautious	Governed Portfolio 4	Governed Portfolio 5 *	Governed Portfolio 3 *	Target Cash, Target Annuity, Target Drawdown
Balanced	Governed Portfolio 4	Governed Portfolio 5 *	Governed Portfolio 6 *	Target Cash, Target Annuity, Target Drawdown
Moderately Adventurous	Governed Portfolio 7	Governed Portfolio 5 *	Governed Portfolio 6 *	Target Cash, Target Annuity, Target Drawdown
Adventurous	Governed Portfolio 7	Governed Portfolio 8 *	Governed Portfolio 9 *	Target Cash, Target Annuity, Target Drawdown

*The asset allocation of each Governed Portfolio will depend on what strategy is targeting at retirement. Please refer to the Target Strategy factsheets available on our website at royallondon.com.

Investment returns may fluctuate and are not guaranteed. Prices can go down as well as up and you might not get back the amount you originally invested.

AN EXAMPLE OF THE ROUTE TO RETIREMENT

The diagram below is an example of how the asset allocation of a lifestyle strategy changes in line with your time to retirement if you had chosen to target annuity. If you decide to target annuity then the asset allocation will change so that at retirement you will be invested 100% in the Annuity fund.



■ Equity ■ Property ■ Commodities ■ Global high yield bonds ■ Gilts ■ Index linked bonds ■ Corporate bonds ■ Absolute return strategies (inc cash)

Please note that you can also choose to target cash or drawdown at retirement which have different end points. If you choose to target cash then at retirement you will be invested 100% deposit. Alternatively you could choose to target drawdown and depending on the level of risk you want to take you will be invested in one of our Governed Retirement Income Portfolios (GRIPs) at retirement.

GRIPs have been designed to allow you to take a regular income from your pension. There are five portfolios to choose from depending on your attitude to risk. For more information see our [Why GRIPs?](#) leaflet.

WHAT ARE THE BENEFITS?

- **Regular reviews at no extra cost** – our experts will keep a close eye on the GRIPs, to check they are continuing to meet their objectives.
- **Spread the risk** – each portfolio is invested in a diversified range of assets, so you don't need to worry about having all your eggs in one basket.
- **One stop solution** – each Target Lifestyle Strategy is aligned to a risk category allowing you to choose the lifestyle strategy that suits you best. Complete our risk questionnaire to give you an idea of your attitude to risk.
- **Choice of investment objective** – you can choose a Target Lifestyle Strategy to target either cash, annuity or drawdown.
- **Automatic switching** – this is done on a gradual basis once a month to reduce the risk of being disadvantaged by extreme market movements. It's automatic so you don't have to worry about making the changes yourself.
- **Automatic updates** – any changes to the asset allocation are made automatically so you can be confident your investments are being continually reviewed against their objectives.
- **Regular communication** – it's easy for you to check your lifestyle strategy. The latest changes can be viewed online at a time that suits you.



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in large print format on request to the Marketing Department at
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