



ROYAL LONDON GOVERNED RANGE TACTICAL ASSET ALLOCATIONS – 12TH OCTOBER 2017

There are signs that growth is picking up but wage inflation remains muted, despite low unemployment rates. 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 turning positive, we are likely to buy dips in stock markets rather than sell rallies. We've marginally trimmed our underweight in bonds to take advantage of the recent rise in yields. There is a potential risk of a slowdown in China, which may result in a softening of commodity prices and we have trimmed at the margin.

LATEST TACTICAL POSITIONS

	Overweight	Neutral	Underweight
Equities	–		
Property		–	
Commodities			∨
High Yield	–		
Gilts			∧
Index Linked		∧	
Corporate Bonds	–		
Absolute Return Strategies (including cash)			∧

Directions of arrows show overall change from previous tactical change. For individual portfolios changes, please see factsheets.

GOVERNED PORTFOLIOS – TARGET CASH

The target cash portfolios are designed to match your clients risk attitude to a suitable mix of assets and funds. There are nine portfolios to choose from so you can select the one that best suits your clients risk attitude and time to retirement. The target cash portfolios are available stand alone or as part of our pre-set lifestyle arrangements which are built to target the RLP Deposit fund at retirement.

Investment returns may fluctuate and are not guaranteed. The value of your clients investment can go down as well as up and they may not get back the value of their original investment.

Long

Governed Portfolio 7

- 82.00% Equities
- 13.80% Property
- 4.20% Commodities

Medium

Governed Portfolio 8

- 76.25% Equities
- 15.00% Property
- 4.00% Commodities
- 0.62% Global High Yield
- 0.88% Short Duration Global HY
- 0.33% Gilts (10yr)
- 1.08% Index Linked Bonds (10yr)
- 1.67% Corporate Bonds (10yr)
- 0.17% Cash Plus

Short

Governed Portfolio 9

- 50.00% Equities
- 10.00% Property
- 4.00% Commodities
- 2.25% Global High Yield
- 2.05% Short Duration Global HY
- 6.66% Gilts (5yr)
- 9.17% Index Linked Bonds (5yr)
- 10.17% Corporate Bonds (5yr)
- 2.70% Absolute Return Gov Bond
- 3.00% Cash Plus

Governed Portfolio 4

- 73.75% Equities
- 17.50% Property
- 4.00% Commodities
- 0.62% Global High Yield
- 0.88% Short Duration Global HY
- 0.67% Gilts (15yr)
- 1.25% Index Linked Bonds (15yr)
- 1.08% Corporate Bonds (15yr)
- 0.25% Cash Plus

Governed Portfolio 5

- 61.25% Equities
- 15.00% Property
- 4.00% Commodities
- 2.12% Global High Yield
- 1.88% Short Duration Global HY
- 3.00% Gilts (10yr)
- 5.00% Index Linked Bonds (10yr)
- 6.00% Corporate Bonds (10yr)
- 1.00% Absolute Return Gov Bond
- 0.75% Cash Plus

Governed Portfolio 6

- 37.50% Equities
- 12.50% Property
- 4.00% Commodities
- 2.25% Global High Yield
- 2.05% Short Duration Global HY
- 9.16% Gilts (5yr)
- 11.67% Index Linked Bonds (5yr)
- 12.67% Corporate Bonds (5yr)
- 4.20% Absolute Return Gov Bond
- 4.00% Cash Plus

Governed Portfolio 1

- 58.75% Equities
- 17.50% Property
- 4.00% Commodities
- 2.12% Global High Yield
- 1.88% Short Duration Global HY
- 3.50% Gilts (15yr)
- 5.00% Index Linked Bonds (15yr)
- 5.25% Corporate Bonds (15yr)
- 1.00% Absolute Return Gov Bond
- 1.00% Cash Plus

Governed Portfolio 2

- 47.50% Equities
- 12.50% Property
- 4.00% Commodities
- 2.25% Global High Yield
- 2.05% Short Duration Global HY
- 6.66% Gilts (10yr)
- 9.17% Index Linked Bonds (10yr)
- 10.17% Corporate Bonds (10yr)
- 2.70% Absolute Return Gov Bond
- 3.00% Cash Plus

Governed Portfolio 3

- 20.00% Equities
- 5.00% Property
- 4.00% Commodities
- 9.25% Global High Yield
- 2.55% Short Duration Global HY
- 14.16% Gilts (5yr)
- 16.67% Index Linked Bonds (5yr)
- 17.67% Corporate Bonds (5yr)
- 5.70% Absolute Return Gov Bond
- 5.00% Cash Plus

Latest tactical allocations as at 12th October 2017.

The mix of assets held within each portfolio is reviewed regularly by our Investment Advisory Committee as part of our governance process. For minutes of the committee meetings, please refer to our website at royallondon.com/pensioninvestments.

The Governed Portfolios are rebalanced on a monthly basis. Further information on the Governed Portfolios and our Target Lifestyle Strategies can be obtained from our website at royallondon.com.

GOVERNED PORTFOLIOS – TARGET ANNUITY

The target annuity portfolios are the building blocks of our target annuity lifestyle strategies. In keeping with this the lifestyles target the RLP Annuity fund which is designed to deliver above inflation growth for customers approaching retirement who intend to take up to 25% tax free cash and purchase an annuity.

Investment returns may fluctuate and are not guaranteed. The value of your clients investment can go down as well as up and they may not get back the value of their original investment.

Long

Governed Portfolio 7

- 82.00% Equities
- 13.80% Property
- 4.20% Commodities

Medium

Governed Portfolio 8 (Annuity)

- 76.25% Equities
- 15.00% Property
- 4.00% Commodities
- 0.62% Global High Yield
- 0.88% Short Duration Global HY
- 0.25% Gilts (15yr)
- 0.08% Gilts (10yr)
- 0.81% Index Linked Bonds (15yr)
- 0.27% Index Linked Bonds (10yr)
- 1.25% Corporate Bonds (15yr)
- 0.42% Corporate Bonds (10yr)
- 0.17% Cash Plus

Short

Governed Portfolio 9 (Annuity)

- 50.00% Equities
- 10.00% Property
- 4.00% Commodities
- 2.25% Global High Yield
- 2.05% Short Duration Global HY
- 3.33% Gilts (15yr)
- 3.33% Gilts (10yr)
- 4.59% Index Linked Bonds (15yr)
- 4.58% Index Linked Bonds (10yr)
- 5.09% Corporate Bonds (15yr)
- 5.08% Corporate Bonds (10yr)
- 2.70% Absolute Return Gov Bond
- 3.00% Cash Plus

Governed Portfolio 4

- 73.75% Equities
- 17.50% Property
- 4.00% Commodities
- 0.62% Global High Yield
- 0.88% Short Duration Global HY
- 0.67% Gilts (15yr)
- 1.25% Index Linked Bonds (15yr)
- 1.08% Corporate Bonds (15yr)
- 0.25% Cash Plus

Governed Portfolio 5 (Annuity)

- 61.25% Equities
- 15.00% Property
- 4.00% Commodities
- 2.12% Global High Yield
- 1.88% Short Duration Global HY
- 2.25% Gilts (15yr)
- 0.75% Gilts (10yr)
- 3.75% Index Linked Bonds (15yr)
- 1.25% Index Linked Bonds (10yr)
- 4.50% Corporate Bonds (15yr)
- 1.50% Corporate Bonds (10yr)
- 1.00% Absolute Return Gov Bond
- 0.75% Cash Plus

Governed Portfolio 6 (Annuity)

- 37.50% Equities
- 12.50% Property
- 4.00% Commodities
- 2.25% Global High Yield
- 2.05% Short Duration Global HY
- 4.58% Gilts (15yr)
- 4.58% Gilts (10yr)
- 5.84% Index Linked Bonds (15yr)
- 5.83% Index Linked Bonds (10yr)
- 6.34% Corporate Bonds (15yr)
- 6.33% Corporate Bonds (10yr)
- 4.20% Absolute Return Gov Bond
- 4.00% Cash Plus

Governed Portfolio 1

- 58.75% Equities
- 17.50% Property
- 4.00% Commodities
- 2.12% Global High Yield
- 1.88% Short Duration Global HY
- 3.50% Gilts (15yr)
- 5.00% Index Linked Bonds (15yr)
- 5.25% Corporate Bonds (15yr)
- 1.00% Absolute Return Gov Bond
- 1.00% Cash Plus

Governed Portfolio 2 (Annuity)

- 47.50% Equities
- 12.50% Property
- 4.00% Commodities
- 2.25% Global High Yield
- 2.05% Short Duration Global HY
- 4.99% Gilts (15yr)
- 1.67% Gilts (10yr)
- 6.88% Index Linked Bonds (15yr)
- 2.29% Index Linked Bonds (10yr)
- 7.63% Corporate Bonds (15yr)
- 2.54% Corporate Bonds (10yr)
- 2.70% Absolute Return Gov Bond
- 3.00% Cash Plus

Governed Portfolio 3 (Annuity)

- 20.00% Equities
- 5.00% Property
- 4.00% Commodities
- 9.25% Global High Yield
- 2.55% Short Duration Global HY
- 7.08% Gilts (15yr)
- 7.08% Gilts (10yr)
- 8.34% Index Linked Bonds (15yr)
- 8.33% Index Linked Bonds (10yr)
- 8.84% Corporate Bonds (15yr)
- 8.83% Corporate Bonds (10yr)
- 5.70% Absolute Return Gov Bond
- 5.00% Cash Plus

Latest tactical allocations as at 12th October 2017.

The mix of assets held within each portfolio is reviewed regularly by our Investment Advisory Committee as part of our governance process. For minutes of the committee meetings, please refer to our website at royallondon.com/pensioninvestments.

The Governed Portfolios are rebalanced on a monthly basis. Further information on the Governed Portfolios and our Target Lifestyle Strategies can be obtained from our website at royallondon.com.

GOVERNED PORTFOLIOS – TARGET DRAWDOWN

The target drawdown portfolios are the building blocks of our target drawdown lifestyle strategies. In keeping with this the lifestyles target our Governed Retirement Income Portfolios which aim to deliver growth above inflation to support regular income withdrawals in retirement. Further details on the Governed Retirement Income Portfolios can be found on the following page.

Investment returns may fluctuate and are not guaranteed. The value of your clients investment can go down as well as up and they may not get back the value of their original investment.

Long

Governed Portfolio 7

- 82.00% Equities
- 13.80% Property
- 4.20% Commodities

Medium

Governed Portfolio 8 (Drawdown)

- 76.25% Equities
- 15.00% Property
- 4.00% Commodities
- 0.62% Global High Yield
- 0.88% Short Duration Global HY
- 0.25% Gilts (15yr)
- 0.08% Gilts (10yr)
- 0.81% Index Linked Bonds (15yr)
- 0.27% Index Linked Bonds (10yr)
- 1.25% Corporate Bonds (15yr)
- 0.42% Corporate Bonds (10yr)
- 0.17% Cash Plus

Short

Governed Portfolio 9 (Drawdown)

- 50.00% Equities
- 10.00% Property
- 4.00% Commodities
- 2.25% Global High Yield
- 2.05% Short Duration Global HY
- 3.33% Gilts (15yr)
- 3.33% Gilts (10yr)
- 4.59% Index Linked Bonds (15yr)
- 4.58% Index Linked Bonds (10yr)
- 5.09% Corporate Bonds (15yr)
- 5.08% Corporate Bonds (10yr)
- 2.70% Absolute Return Gov Bond
- 3.00% Cash Plus

Governed Portfolio 4

- 73.75% Equities
- 17.50% Property
- 4.00% Commodities
- 0.62% Global High Yield
- 0.88% Short Duration Global HY
- 0.67% Gilts (15yr)
- 1.25% Index Linked Bonds (15yr)
- 1.08% Corporate Bonds (15yr)
- 0.25% Cash Plus

Governed Portfolio 5 (Drawdown)

- 61.25% Equities
- 15.00% Property
- 4.00% Commodities
- 2.12% Global High Yield
- 1.88% Short Duration Global HY
- 2.25% Gilts (15yr)
- 0.75% Gilts (10yr)
- 3.75% Index Linked Bonds (15yr)
- 1.25% Index Linked Bonds (10yr)
- 4.50% Corporate Bonds (15yr)
- 1.50% Corporate Bonds (10yr)
- 1.00% Absolute Return Gov Bond
- 0.75% Cash Plus

Governed Portfolio 6 (Drawdown)

- 37.50% Equities
- 12.50% Property
- 4.00% Commodities
- 2.25% Global High Yield
- 2.05% Short Duration Global HY
- 4.58% Gilts (15yr)
- 4.58% Gilts (10yr)
- 5.84% Index Linked Bonds (15yr)
- 5.83% Index Linked Bonds (10yr)
- 6.34% Corporate Bonds (15yr)
- 6.33% Corporate Bonds (10yr)
- 4.20% Absolute Return Gov Bond
- 4.00% Cash Plus

Governed Portfolio 1

- 58.75% Equities
- 17.50% Property
- 4.00% Commodities
- 2.12% Global High Yield
- 1.88% Short Duration Global HY
- 3.50% Gilts (15yr)
- 5.00% Index Linked Bonds (15yr)
- 5.25% Corporate Bonds (15yr)
- 1.00% Absolute Return Gov Bond
- 1.00% Cash Plus

Governed Portfolio 2 (Drawdown)

- 47.50% Equities
- 12.50% Property
- 4.00% Commodities
- 2.25% Global High Yield
- 2.05% Short Duration Global HY
- 4.99% Gilts (15yr)
- 1.67% Gilts (10yr)
- 6.88% Index Linked Bonds (15yr)
- 2.29% Index Linked Bonds (10yr)
- 7.63% Corporate Bonds (15yr)
- 2.54% Corporate Bonds (10yr)
- 2.70% Absolute Return Gov Bond
- 3.00% Cash Plus

Governed Portfolio 3 (Drawdown)

- 20.00% Equities
- 5.00% Property
- 4.00% Commodities
- 9.25% Global High Yield
- 2.55% Short Duration Global HY
- 7.08% Gilts (15yr)
- 7.08% Gilts (10yr)
- 8.34% Index Linked Bonds (15yr)
- 8.33% Index Linked Bonds (10yr)
- 8.84% Corporate Bonds (15yr)
- 8.83% Corporate Bonds (10yr)
- 5.70% Absolute Return Gov Bond
- 5.00% Cash Plus

Latest tactical allocations as at 12th October 2017.

The mix of assets held within each portfolio is reviewed regularly by our Investment Advisory Committee as part of our governance process. For minutes of the committee meetings, please refer to our website at royallondon.com/pensioninvestments.

The Governed Portfolios are rebalanced on a monthly basis. Further information on the Governed Portfolios and our Target Lifestyle Strategies can be obtained from our website at royallondon.com.

GOVERNED RETIREMENT INCOME PORTFOLIOS

Our Governed Retirement Income Portfolios aim to deliver growth above inflation to support regular income withdrawals. There are five portfolios to choose from, each increasing in risk from 1 to 5, so you can select the one that best suits your clients risk attitude.

Investment returns may fluctuate and are not guaranteed. The value of your clients investment can go down as well as up and they may not get back the value of their original investment.

GRIP 1

- 15.00% Equities
- 5.00% Property
- 4.00% Commodities
- 3.25% Global High Yield
- 1.05% Short Duration Global HY
- 2.50% Sterling Extra Yield Bond
- 17.50% Gilts (10yr)
- 20.00% Index Linked Bonds (10yr)
- 21.00% Corporate Bonds (10yr)
- 3.00% Absolute Return Gov Bond
- 7.70% Cash Plus

GRIP 3

- 35.00% Equities
- 7.50% Property
- 4.00% Commodities
- 7.00% Global High Yield
- 1.05% Short Duration Global HY
- 6.25% Sterling Extra Yield Bond
- 7.50% Gilts (10yr)
- 10.00% Index Linked Bonds (10yr)
- 11.00% Corporate Bonds (10yr)
- 3.00% Absolute Return Gov Bond
- 7.70% Cash Plus

GRIP 5

- 56.25% Equities
- 10.00% Property
- 4.00% Commodities
- 9.50% Global High Yield
- 1.05% Short Duration Global HY
- 8.75% Sterling Extra Yield Bond
- 0.50% Gilts (10yr)
- 1.50% Index Linked Bonds (10yr)
- 3.50% Corporate Bonds (10yr)
- 1.00% Absolute Return Gov Bond
- 3.95% Cash Plus

→
RISK

GRIP 2

- 25.00% Equities
- 7.50% Property
- 4.00% Commodities
- 4.50% Global High Yield
- 1.05% Short Duration Global HY
- 3.75% Sterling Extra Yield Bond
- 12.50% Gilts (10yr)
- 15.00% Index Linked Bonds (10yr)
- 16.00% Corporate Bonds (10yr)
- 3.00% Absolute Return Gov Bond
- 7.70% Cash Plus

GRIP 4

- 46.25% Equities
- 10.00% Property
- 4.00% Commodities
- 8.25% Global High Yield
- 1.05% Short Duration Global HY
- 7.50% Sterling Extra Yield Bond
- 2.00% Gilts (10yr)
- 5.00% Index Linked Bonds (10yr)
- 6.00% Corporate Bonds (10yr)
- 2.50% Absolute Return Gov Bond
- 7.45% Cash Plus

Latest tactical allocations as at 12th October 2017.

The mix of assets held within each portfolio is reviewed regularly by our Investment Advisory Committee as part of our governance process. For minutes of the committee meetings, please refer to our website at royallondon.com/pensioninvestments.

The Governed Retirement Income Portfolios are rebalanced on a monthly basis. Further information on the Governed Retirement Income Portfolios and our Target Lifestyle Strategies can be obtained from our website at royallondon.com.



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, 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. The firm is on the Financial Services Register, registration number 117672. It provides life assurance and pensions. 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.