



## GOVERNED RANGE BENEFITS OF GOVERNED PORTFOLIOS

Monitoring and updating your client's pension investments can take up valuable time and resource. With an ever growing number of funds and asset classes on offer, it's increasingly difficult to choose a suitable portfolio of funds for your clients, in a cost effective way.

How do you decide what the right mix should be for an investor with a balanced risk profile? Should the asset mix change depending on how close they are to retirement? Getting this balance right can make a huge difference to how their investments perform. Our view is that performance generally stems from asset allocation rather than just picking a star performing fund.

However, it's not just about getting the asset allocation right at the start. As different asset classes produce different returns, the percentage invested in each category changes over time. So its important to review it regularly to make sure it still matches your client's risk attitude.

Our Governed Portfolios have been specially created to provide a consistent investment approach that is regularly monitored by our Investment Advisory Committee (IAC) and automatically updated at no extra cost. The minutes from each IAC meeting are published on our website. Overall it means you can make investment decisions based on risk attitude and asset allocation and be confident that a governance process is in place to ensure the chosen portfolio continues to meet its objective.

### WHAT ARE THE BENEFITS?

- **Governance at no extra cost** – a regular review process which takes the hassle out of monitoring asset allocation and ensures the Governed Portfolio continues to meet its objectives.
- **Dynamic asset allocation** – each Governed Portfolio has a strategic asset allocation that is time and risk appropriate. Tactical asset allocation adjustments are made to take advantage of short term market movements.

- **Diverse range of assets** – asset allocation designed to maximise returns in line with an appropriate level of risk. Risk is managed by spreading the investments across various asset classes.
- **Automatic Rebalancing** – Governed Portfolios come with monthly rebalancing as standard. It means that your client's investment split is realigned to the portfolio that originally matched their attitude to risk. If a portfolio is not rebalanced regularly, the asset split can drift significantly over time changing the portfolio's risk profile.
- **Automatic updates** – any changes to the asset mix are made automatically so anyone invested in a Governed Portfolio can be confident that their investments are being reviewed to ensure that the portfolio continues to meet its objective.
- **Flexibility** – Governed Portfolios offer the option to exchange the default equity option to any of our other equity funds within our fund range.
- **Regular communication** – it's easy for your client to see the portfolio they are invested in. They can view the latest changes online at a time that suits them.

### HOW DOES IT WORK?

There are nine Governed Portfolios to choose from. Each has been designed for a particular risk attitude and time to retirement so depending on how long clients have until they retire, some portfolios are suitable for more than one risk attitude. The portfolios can be invested in individually or used as part of a lifestyle strategy.

If you wish to invest in a Governed Portfolio you can check which one is suitable for your clients requirements overleaf.

If you wish to invest in a lifestyle strategy please see the leaflet **Governed Range – Target Lifestyle Strategies**.

# GOVERNED PORTFOLIOS

	Time to retirement		
Risk Category	Long	Medium	Short
<b>Cautious</b>	<b>Governed Portfolio 1</b>	<b>Governed Portfolio 2</b>	<b>Governed Portfolio 3</b>
	● 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)
<b>Moderately Cautious</b>	<b>Governed Portfolio 4</b>	<b>Governed Portfolio 5</b>	<b>Governed Portfolio 3</b>
	● 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)	
<b>Balanced</b>	<b>Governed Portfolio 4</b>	<b>Governed Portfolio 5</b>	<b>Governed Portfolio 6</b>
	● 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% Absolute Return Strategies (incl cash)	● 5.0% Corporate Bonds	● 11.7% Corporate Bonds
	● 7.5% Absolute Return Strategies (incl cash)	● 12.5% Absolute Return Strategies (incl cash)	
<b>Moderately Adventurous</b>	<b>Governed Portfolio 7</b>	<b>Governed Portfolio 5</b>	<b>Governed Portfolio 6</b>
	● 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)	
<b>Adventurous</b>	<b>Governed Portfolio 7</b>	<b>Governed Portfolio 8</b>	<b>Governed Portfolio 9</b>
	● 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)	

Benchmark asset allocations are shown. The default equity fund for each Governed Portfolio is the RLP Global Managed Pension fund. However, you can replace this default with an alternative equity fund or funds from any available within our range. For current asset allocations please visit our website [adviser.royallondon.com/pensioninvestments](http://adviser.royallondon.com/pensioninvestments)





**Royal London**

1 Thistle Street, Edinburgh EH2 1DG

**royallondon.com**

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