



## GOVERNED RANGE TARGET LIFESTYLE STRATEGIES

Our Target Lifestyle Strategies have been specially created to provide a consistent investment approach that is regularly monitored and automatically updated. There are three sets of Target Strategies to choose from, each with five risk-graded versions featuring both passive and active equity management styles to choose from.

This means you can make investment decisions based on risk profile, asset allocation and desired client outcome and be confident that a governance process is in place to ensure the strategy continues to meet its objective.

### TARGET LIFESTYLE STRATEGIES

Our suite of Target Lifestyle Strategies are focussed on three customer retirement choices:

Strategy	Desired client outcome
Target Cash	Small pension pot likely to be taken as cash
Target Annuity	Preference for income certainty
Target Drawdown	Preference for income flexibility

### WHAT ARE THE BENEFITS?

- **Targeted outcomes** – strategies target specific desired client outcomes.
- **Dynamic asset allocation** – tactical overlay applied to exploit performance over the short-term.
- **Meets charge cap rules** – passive and low cost active options are available at no extra cost and can be used as a scheme default.
- **Client-specific investment glidepath** – dependent on the target strategy chosen, risk profile and term to retirement.
- **Governance at no extra cost** – our regular review process takes the hassle out of monitoring client's strategies and helps you to ensure TCF outcomes are met.
- **One stop solution** – each Target Lifestyle Strategy is aligned to a risk category and desired client outcome so you can choose the one that suits your client.
- **Automatic switching** – this is done on a gradual and fluid basis once a month saving you time and resource.

- **Automatic updates** – any changes to the asset allocation are made automatically so anyone invested in a Target Lifestyle Strategy can be confident that their investments are being reviewed to ensure it continues to meet its objective.
- **Regular communication** – it's easy for your client to check their lifestyle strategy. They can view the latest changes online at a time that suits them.

### HOW DO THEY WORK?

The Target Lifestyle Strategies are designed to reduce investment risk as retirement approaches by gradually switching from higher to lower risk Governed Portfolios.

The Target Annuity, Target Drawdown and Target Cash strategies share a similar asset allocation journey until five years before the retirement date. At that point, each strategy takes off on their own unique glidepath with the aim of delivering a fluid and gradual descent to the client's desired outcome.

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Each portfolio within the strategies is invested in a mix of assets. They are all reviewed regularly by our Investment Advisory Committee to make sure they perform in line with their overall objectives, taking into account current market and economic conditions.

Table 1 shows the Governed Portfolio used at each stage to retirement. Current asset allocations are shown on the relevant lifestyle strategy factsheet.

Table 2 shows the final five years of each of the three target strategies for a balanced investor.

Table 3 shows the journey through the Governed Portfolios in a Target Drawdown strategy and the relevant Governed Retirement Income Portfolio (GRIP) for the end point. The GRIPs are a suite of risk-targeted centralised investment propositions designed for taking regular income from.

## TARGET LIFESTYLE STRATEGY

There are different risk-graded Target Lifestyle Strategies available depending on your client's attitude to risk. To help give you an idea of your client's risk attitude you can complete our online risk questionnaire available at [adviser.royallondon.com/riskattitude](http://adviser.royallondon.com/riskattitude)

## TARGET LIFESTYLE STRATEGIES

**Table 1**

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

For asset allocations of each Governed Portfolio please visit our website [adviser.royallondon.com/pensioninvestments](http://adviser.royallondon.com/pensioninvestments) 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.

\*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](http://royallondon.com).

## Equity management options

Each strategy invests the equity portion in the RLP Global Managed Fund. This is an actively managed global equity fund that is automatically blended between UK and overseas equities as part of our governance review process.

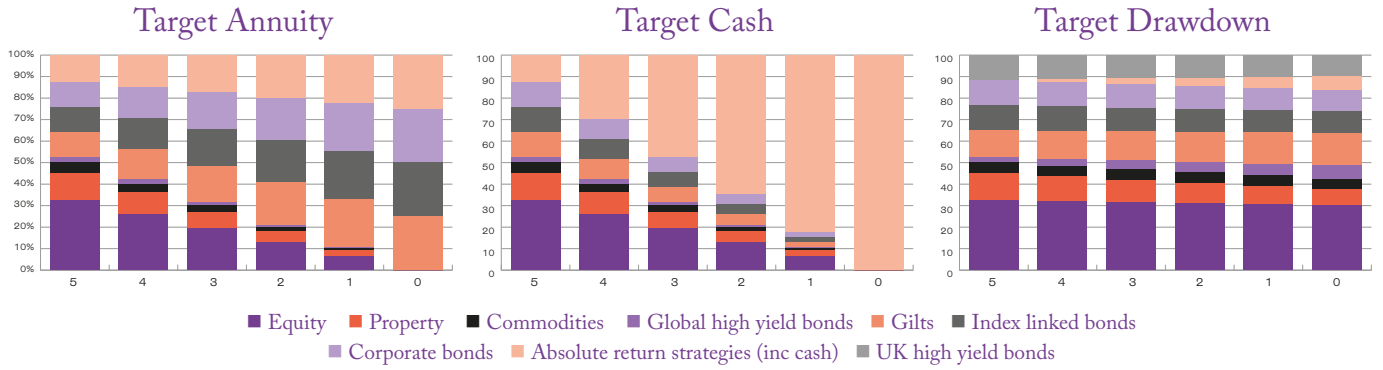
However there are alternative passive and active equity management options if you prefer.

- **Tracker** – the tracker version invests the equity portion of each portfolio in the RLP BlackRock ACS Global Blend. This is a global equity tracker fund that is automatically blended between UK and overseas equities as part of our governance review process.
- **Active** – the active version invests the equity portion of each portfolio in a specialist multimanager fund, the RLP Global Blend Core Plus (Rathbone Global Alpha) Fund. This is an actively managed global equity fund of funds that is automatically blended between UK and overseas equities as part of our governance review process. This option is not suitable for use as a scheme default as the fund's Total Expense Ratio (TER) breaches the charge cap.

# INVESTMENT GLIDEPATHS

**Table 2**

Different end points for the Target strategies. Based on a balanced investor.



## TARGET DRAWDOWN STRATEGIES

**Table 3**

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	GRIP 1
Moderately Cautious	Governed Portfolio 4	Governed Portfolio 5	Governed Portfolio 3	GRIP 2
Balanced	Governed Portfolio 4	Governed Portfolio 5	Governed Portfolio 6	GRIP 3
Moderately Adventurous	Governed Portfolio 7	Governed Portfolio 5	Governed Portfolio 6	GRIP 4
Adventurous	Governed Portfolio 7	Governed Portfolio 8	Governed Portfolio 9	GRIP 5

## SUPPORTING MATERIAL

This leaflet is part of a range of materials designed for you.  
Other leaflets include:

- Why asset allocation is important

For more information about our Lifestyle Strategies and other investment options, please visit

[adviser.royallondon.com/pensioninvestments](https://adviser.royallondon.com/pensioninvestments)

or view our **Pension investment options – a clear and simple guide.**



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