

INVESTMENT OBJECTIVE

This portfolio aims to deliver above inflation growth in the value of the fund at retirement, whilst taking a level of risk consistent with a cautious risk attitude over a long (>12.5 years) time period.

This 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.

If our experts decide that the mix of assets needs to be adjusted, it happens automatically on your behalf, you don't need to do anything. What's more, this service comes at no

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|--------------------------------|---|
| Fund manager | Trevor Greetham, Royal London Asset Management (since Apr-15) |
| Launch date | 12.01.09 |
| AUM (£m) | 1192.8 |
| Annual management charge (AMC) | 1.00% |
| Investment expenses | 0.00% |
| Total expense ratio (TER)* | 1.00% |
| Transaction Costs (2019) | 0.058% |
| Royal London Risk Rating | Cautious Long Term |
| Benchmark | Composite benchmark – see factsheet for further details |
| Latest tactical change | 13.08.2020 |

*The highest charge payable. Large fund and Scheme discounts mean that most customers are charged less than this

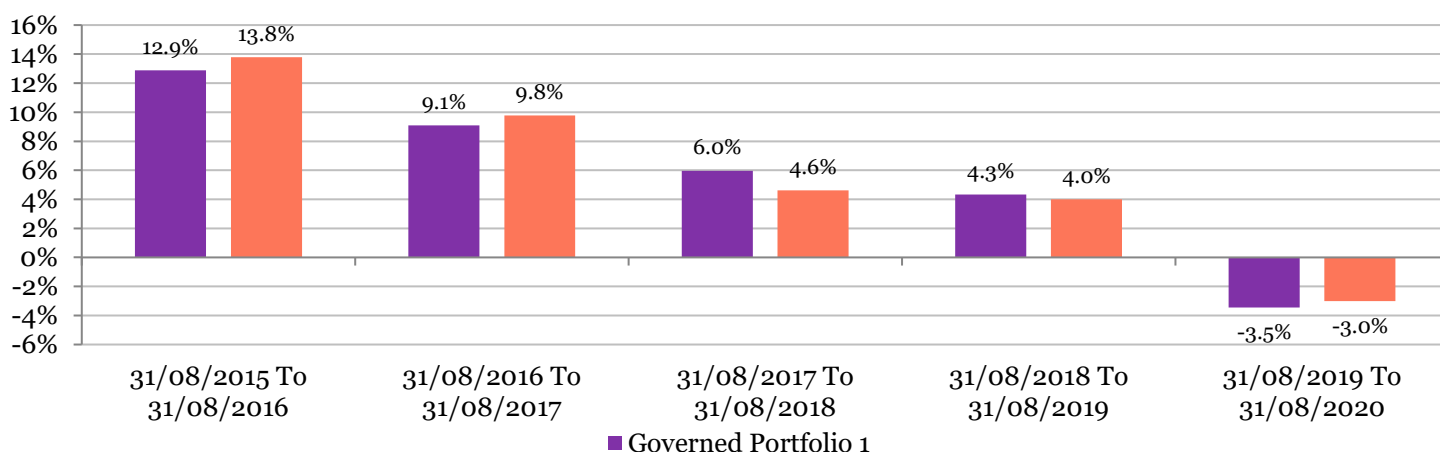
LATEST POSITIONING

| Asset Class | Benchmark | Tactical | +/- | Positioning |
|--|-----------|----------|--------|-------------|
| Equity | 52.50% | 55.58% | 3.08% | Overweight |
| Gilts | 5.00% | 5.09% | 0.09% | Overweight |
| Corporate Bonds | 5.00% | 5.50% | 0.50% | Overweight |
| Index Linked | 5.00% | 5.50% | 0.50% | Overweight |
| Property | 17.50% | 14.74% | -2.76% | Underweight |
| Absolute Return Strategies (inc. Cash) | 7.50% | 1.84% | -5.66% | Underweight |
| High Yield | 2.50% | 6.50% | 4.00% | Overweight |
| Commodities | 5.00% | 5.25% | 0.25% | Overweight |

Latest tactical positions as at 13.08.2020

PORTFOLIO PERFORMANCE AGAINST BENCHMARK

The past 5 years:

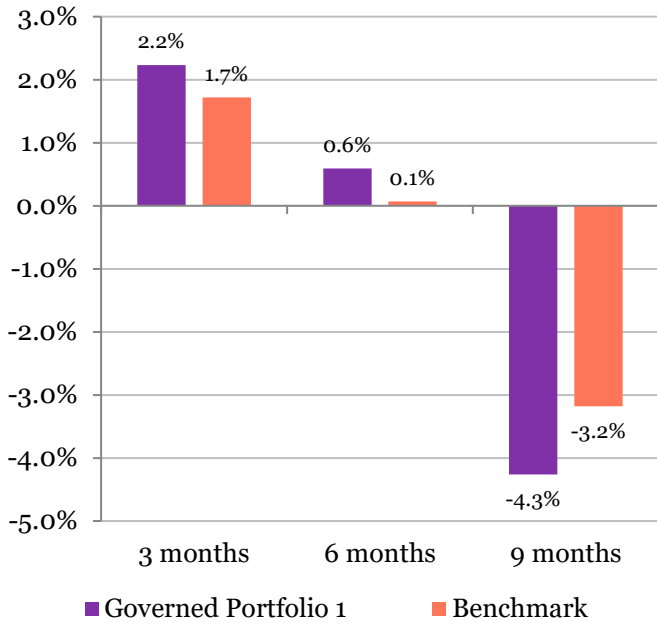


Source: Lipper, Royal London, as at 31.08.20. All performance figures shown, including those shown for the growth in the benchmark, have been calculated net of a 1% Annual Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the full amount of capital originally invested. Investment returns may fluctuate and are not guaranteed.

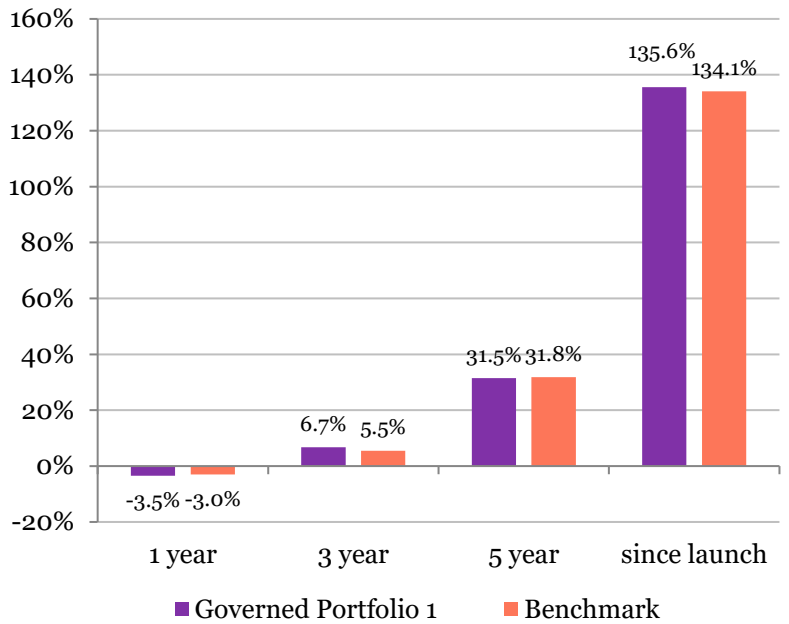
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PORTFOLIO PERFORMANCE AGAINST BENCHMARK CONTINUED

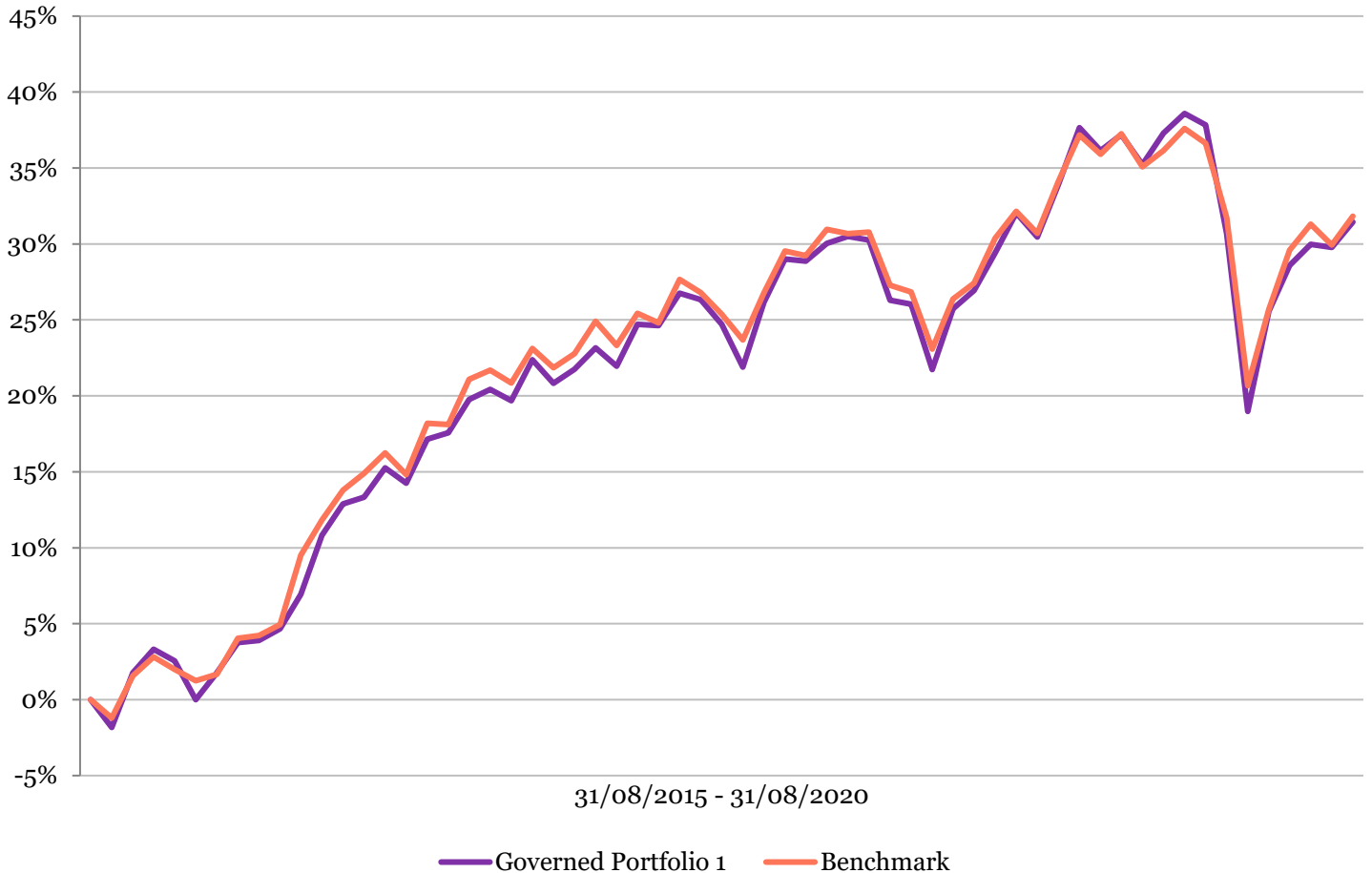
Shorter term:



Longer term:



5 YEAR PERCENTAGE GROWTH



Source: Lipper, Royal London, as at 31.08.20. All performance figures shown, including those shown for the growth in the benchmark, have been calculated net of a 1% Annual Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the full amount of capital originally invested. Investment returns may fluctuate and are not guaranteed.

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PORTFOLIO MANAGEMENT

The portfolio is managed by the multi asset team at our sister asset management company Royal London Asset Management (RLAM), one of the UK's leading fund management companies. The multi asset team applies a systematic framework for allocating to various asset classes and regions, with investment decisions informed by a range of quantitative models.



“I believe multi asset investing can offer an attractive smoothing of returns in ever-changing market conditions. A robust tactical asset allocation process allows investors to exploit shorter-term opportunities and generate significant added value over time.”

Trevor Greetham, Head of Multi Asset, Royal London Asset Management

PORTFOLIO GOVERNANCE

Our Governed Portfolios have a formal review process and are monitored by the Investment Advisory Committee (IAC). The IAC consists of pension and investment experts and is headed up by an independent chairperson, to ensure that decisions remain impartial. The IAC meets regularly, usually on a quarterly basis, to review our full investment proposition. The IAC process is deliberately about taking a long-term view to ensure that investment decisions are based on sound fundamentals.

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LAST 3 TACTICAL CHANGES:

13th August 2020

Global equity returns were positive in July, although UK-based investors were impacted by sterling strength. While there were renewed spikes in Covid-19 cases, these were managed with travel restrictions or local lockdowns. Otherwise, data suggested that leading economies are recovering reasonably well. Central banks are maintaining low interest rates and governments are committed to fiscal stimulus. To reflect this positive environment, we have increased our overweight in equities and moved overweight in commodities. We remain overweight in investment grade and global high yield credit, but have cut gilts to around neutral. We remain underweight in UK commercial property and cash.

9th July 2020

After recovering strongly following the weakness in March, equities marked time in June as central banks warned about long-term economic damage, particularly to the labour market, and increasing Covid-19 cases in the US. Data continues to suggest that economies are recovering, but this will remain virus dependent. Following the strong performance of global stockmarkets and with the risk of renewed lockdowns in the US and elsewhere, we are slightly reducing equities, but remain modestly overweight. We are increasing our small overweight in gilts and remain overweight in global high yield credit. We remain underweight in UK commercial property.

11th June 2020

Risk assets recovered further in May. Equity investors continued to look through the short-term effects of the lockdown on companies, taking reassurance from the unprecedented financial support packages from governments and central banks. Leading financial data suggested that the global economy will rebound quickly, although this will depend on Covid-19 remaining under control. We have added to equities, going further overweight, and trimmed our underweight in commodities to reflect this optimism. These changes are mainly funded from cash. We remain overweight short duration global high yield credit and commercial property exposure has drifted further underweight.

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HOLDINGS DATA

| | |
|--|--------------|
| Total Equity | 55.6% |
| UK Equities | 26.0% |
| Royal London FTSE 350 Tracker | 12.9% |
| Royal London UK Equity | 0.8% |
| Royal London UK Mid Cap Growth | 0.7% |
| Royal London UK Dividend Growth | 1.6% |
| RLP UK Mid Cap | 0.1% |
| Royal London UK Smaller Companies | 0.6% |
| Royal London UK Opps fund | 1.7% |
| ICF FTSE 100 Index Future | 7.8% |
| US Equities | 14.4% |
| Royal London US Tracker | 14.3% |
| CME S&P EMI Future | 0.1% |
| European Equities | 2.3% |
| Royal London European Growth | 2.4% |
| Royal London Europe ex UK Tracker | 1.0% |
| Royal London European Opportunities | 0.0% |
| EUX EUR STO 50 | -1.1% |
| Asia Pacific Equities | 3.2% |
| Royal London Asia Pacific ex Japan Tracker | 1.7% |
| Royal London Japan Tracker | 1.9% |
| HKG HAN SEN Index Future | -0.5% |
| Global Equities | 5.5% |
| Royal London Global Diversified | 5.8% |
| MSE S&P TSX 60 Future | 0.6% |
| OSE TOP Index Future | 0.0% |
| SFE SPI 200 Future | -0.9% |

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|--|-------------|
| Emerging Markets Equities | 4.0% |
| Royal London Emerging Markets Equity Tracker | 2.6% |
| NYF MSC EMG | 1.4% |

| | |
|---------------|-------------|
| Other | 0.2% |
| Cash Holdings | 0.2% |

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|--------------------------|-------------|
| Total Commodities | 5.3% |
| RLP Commodity | 5.3% |

| | |
|-----------------------|--------------|
| Total Property | 14.7% |
| RLP Property | 14.7% |

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|--------------------------------------|-------------|
| Total High Yield | 6.5% |
| RLP Global High Yield Bond | 4.3% |
| RLP Short Duration Global High Yield | 2.2% |

| | |
|--------------------------------|-------------|
| Total Corporate | 5.5% |
| RLP Long (15yr) Corporate Bond | 5.5% |

| | |
|------------------------------|-------------|
| Total Index Linked | 5.5% |
| RLP Long (15yr) Index Linked | 5.5% |

| | |
|-----------------------|-------------|
| Total Gilts | 5.1% |
| RLP Long (15yr) Gilts | 5.1% |

| | |
|--|-------------|
| Total Absolute Return (inc. cash) | 1.8% |
| RLP Deposit | 1.7% |
| RLP Absolute Return Government Bond | 0.1% |

The allocations shown are derived by using the latest tactical allocation as at 13.08.2020 and latest fund holdings data as at 31.08.20. These figures should therefore not be relied upon as being exact. Negative allocations reflect the use of derivatives to decrease regional equity exposure. Allocations may not always total 100% due to rounding.

RISK FACTORS

It is important that the potential risks associated with this portfolio are understood. We have detailed below the specific risks to be aware of. For further information on each of these risks please refer to our Guide to Fund Risks.

| | | | |
|------------------------|-----|-------------------|-----|
| Exchange Rate | Yes | Property | Yes |
| Emerging Market | Yes | Higher Risk Funds | Yes |
| Concentrated Portfolio | No | Derivatives | Yes |
| Smaller Companies | Yes | Equities | Yes |
| High Yield Bonds | Yes | Bonds | Yes |
| Sector Specific | Yes | Money Market | Yes |
| Geared Investment | Yes | Stock Lending | Yes |



Royal London 1 Thistle Street, Edinburgh EH2 1DG royallondon.com

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