

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 moderately cautious, balanced or moderately adventurous risk attitude over a medium (7.5-12.5 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

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	12.01.09
AUM (£m)	8607.2
Annual management charge (AMC)	1.00%
Investment expenses	0.00%
Total expense ratio (TER)*	1.00%
Transaction Costs (2019)	0.045%
Royal London Risk Rating	Balanced Medium 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

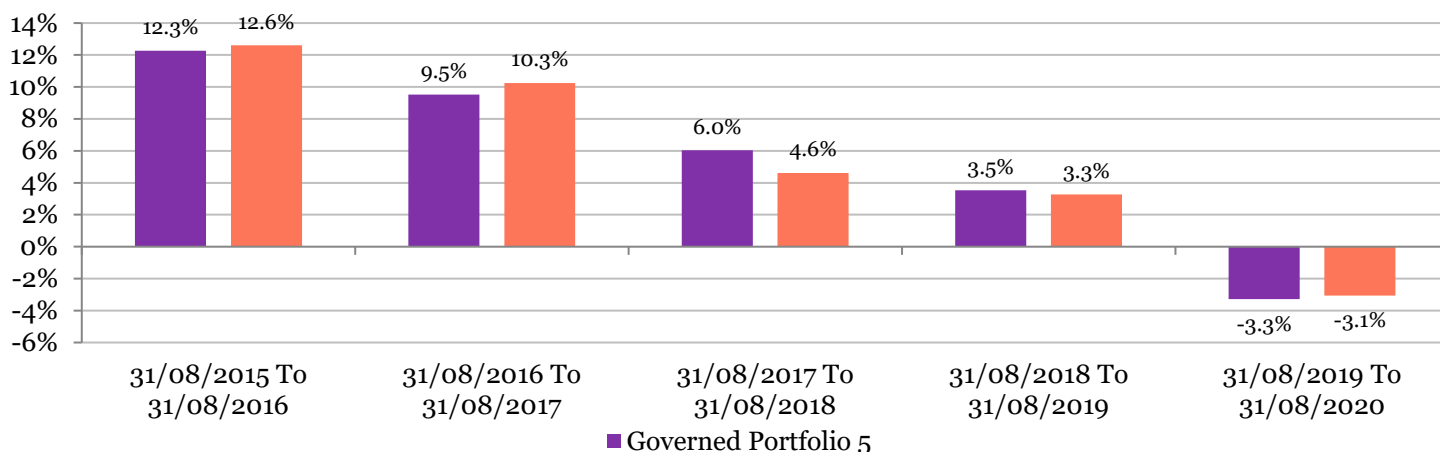
LATEST POSITIONING

Asset Class	Benchmark	Tactical	+/-	Positioning
Equity	55.00%	58.08%	3.08%	Overweight
Gilts	5.00%	4.47%	-0.53%	Underweight
Corporate Bonds	5.00%	6.10%	1.10%	Overweight
Index Linked	5.00%	6.05%	1.05%	Overweight
Property	15.00%	12.56%	-2.44%	Underweight
Absolute Return Strategies (inc. Cash)	7.50%	0.99%	-6.51%	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:

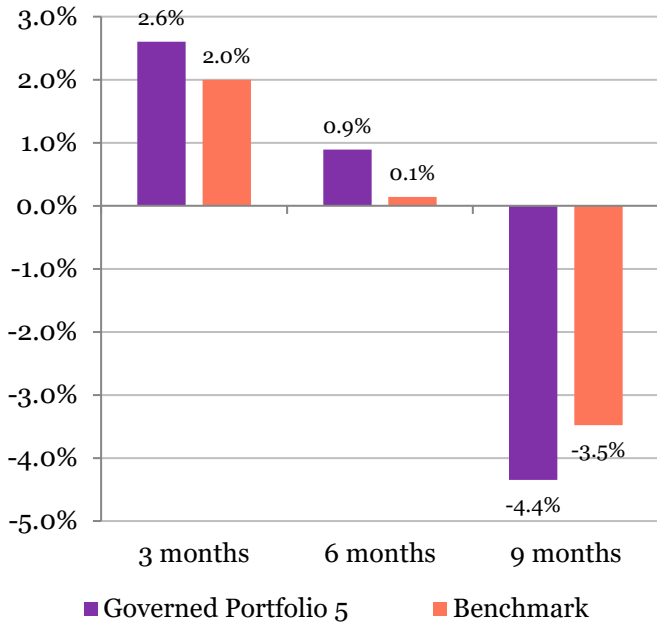


Source: Lipper, Royal London, as at 31.08.20. All performance figures shown, including those shown for the growth in the benchmark, have been calculated net of a 1% Annual Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the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

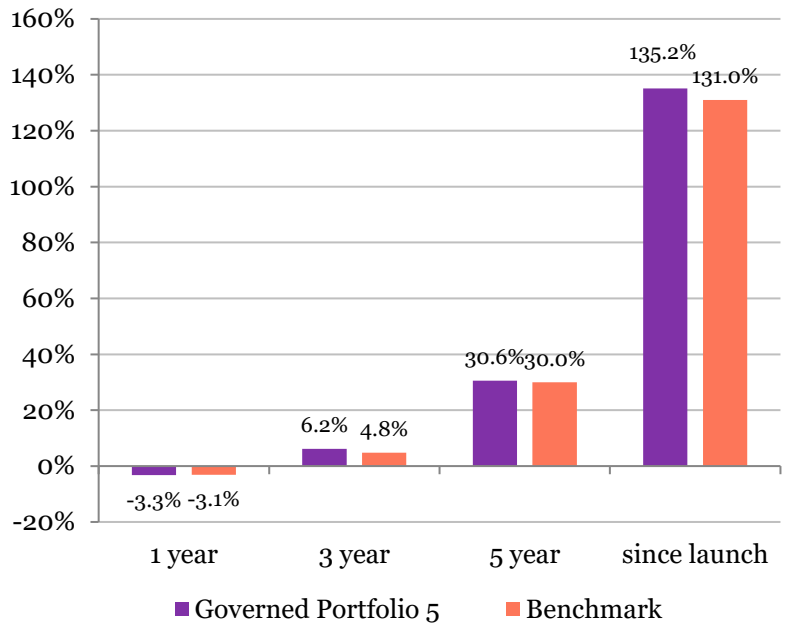
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PORTFOLIO PERFORMANCE AGAINST BENCHMARK CONTINUED

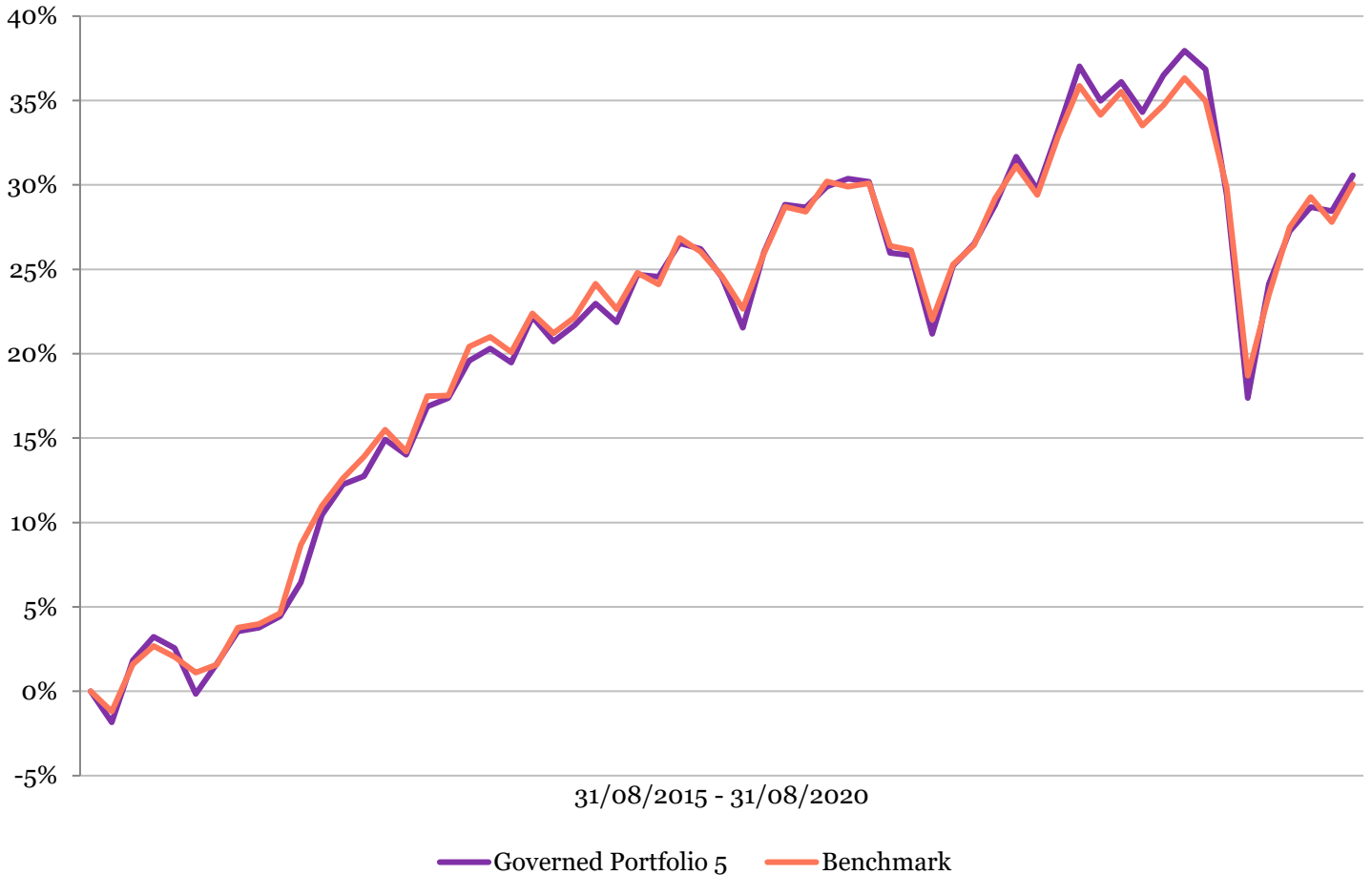
Shorter term:



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.

43

INVESTMENT
ADVISORY
COMMITTEE
REVIEWS

75

TACTICAL
ALLOCATION
CHANGES

2

STRATEGIC
ALLOCATION
CHANGES

LAST 3 TACTICAL CHANGES:

13th August 2020

Global equity returns were positive in July, although UK-based investors were impacted by sterling strength. There were renewed spikes in Covid-19 cases, these were managed with travel restrictions or local lockdowns. Otherwise, data suggested 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 global high yield credit, but have reduced the overweight in index-linked bonds and investment grade credit. 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 gilts holding, 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	58.1%
UK Equities	27.1%
Royal London FTSE 350 Tracker	13.5%
Royal London UK Equity	0.9%
Royal London UK Mid Cap Growth	0.7%
Royal London UK Dividend Growth	1.7%
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	8.2%
US Equities	15.0%
Royal London US Tracker	15.0%
CME S&P EMI Future	0.1%
European Equities	2.4%
Royal London European Growth	2.5%
Royal London Europe ex UK Tracker	1.0%
Royal London European Opportunities	0.0%
EUX EUR STO 50	-1.1%
Asia Pacific Equities	3.3%
Royal London Asia Pacific ex Japan Tracker	1.8%
Royal London Japan Tracker	2.0%
HKG HAN SEN Index Future	-0.5%
Global Equities	5.8%
Royal London Global Diversified	6.1%
MSE S&P TSX 60 Future	0.6%
OSE TOP Index Future	0.0%
SFE SPI 200 Future	-0.9%

Emerging Markets Equities	4.1%
Royal London Emerging Markets Equity Tracker	2.7%
NYF MSC EMG	1.5%

Other	0.3%
Cash Holdings	0.3%

Total Commodities	5.3%
RLP Commodity	5.3%

Total Property	12.6%
RLP Property	12.6%

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

Total Corporate	6.1%
RLP Medium (10yr) Corporate Bond	6.1%

Total Index Linked	6.1%
RLP Medium (10yr) Index Linked	6.1%

Total Gilts	4.5%
RLP Medium (10yr) Gilts	4.5%

Total Absolute Return (inc. cash)	1.0%
RLP Deposit	0.7%
RLP Absolute Return Government Bond	0.3%

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



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