

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 balanced or moderately adventurous risk attitude over a short (<5 years) time period.

Your 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 extra cost.

| | |
|--------------------------------|---|
| Fund manager | Trevor Greetham, Royal London Asset Management (since Apr-15) |
| Launch date | 12.01.09 |
| AUM (£m) | 3296.7 |
| Annual management charge (AMC) | 1.00% |
| Investment expenses | 0.00% |
| Total expense ratio (TER)* | 1.00% |
| Transaction Costs (2018) | 0.067% |
| Royal London Risk Rating | Balanced Short Term |
| Benchmark | Composite benchmark – see factsheet for further details |
| Latest tactical change | 15.08.2019 |

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

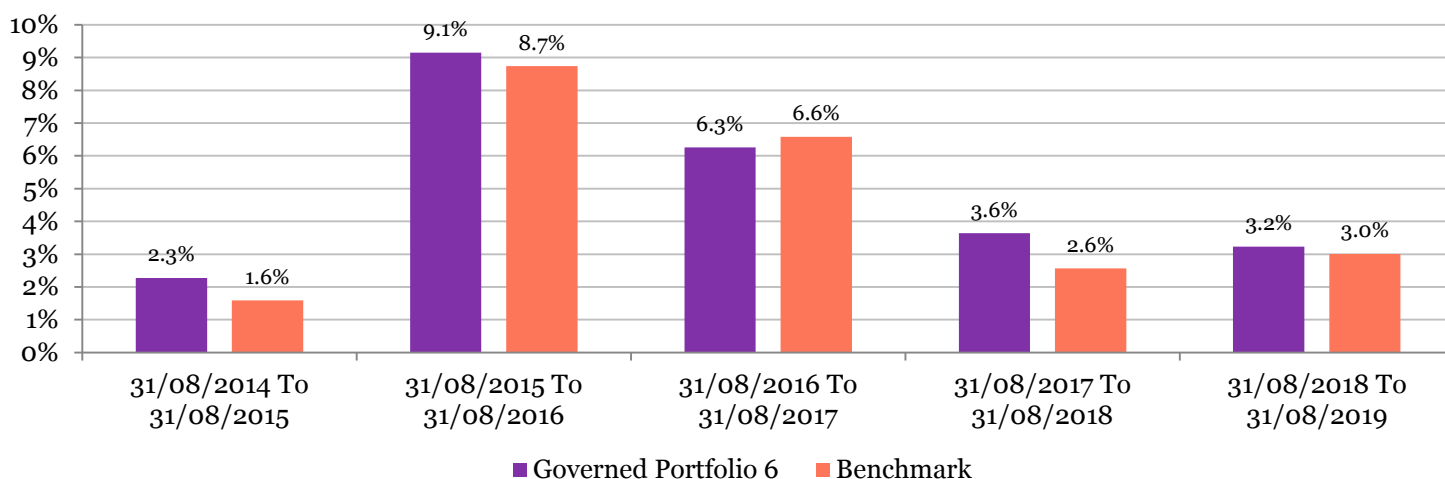
LATEST POSITIONING

| Asset Class | Benchmark | Tactical | +/- | Positioning |
|--|-----------|----------|--------|-------------|
| Equity | 32.50% | 38.00% | 5.50% | Overweight |
| Gilts | 11.66% | 11.41% | -0.25% | Underweight |
| Corporate Bonds | 11.67% | 12.42% | 0.75% | Overweight |
| Index Linked | 11.67% | 11.67% | 0.00% | Neutral |
| Property | 12.50% | 12.50% | 0.00% | Neutral |
| Absolute Return Strategies (inc. Cash) | 12.50% | 5.40% | -7.10% | Underweight |
| High Yield | 2.50% | 4.60% | 2.10% | Overweight |
| Commodities | 5.00% | 4.00% | -1.00% | Underweight |

Latest tactical positions as at 15.08.2019

PORTFOLIO PERFORMANCE AGAINST BENCHMARK

The past 5 years:

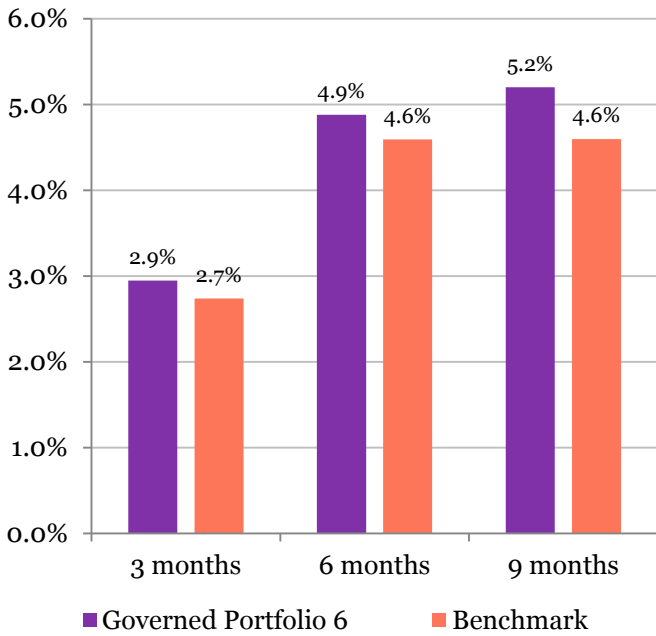


Source: Lipper, Royal London, as at 31.08.19. All performance figures shown, including those shown for the growth in the benchmark, have been calculated net of a 1% Annual Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the full amount of capital originally invested. Investment returns may fluctuate and are not guaranteed.

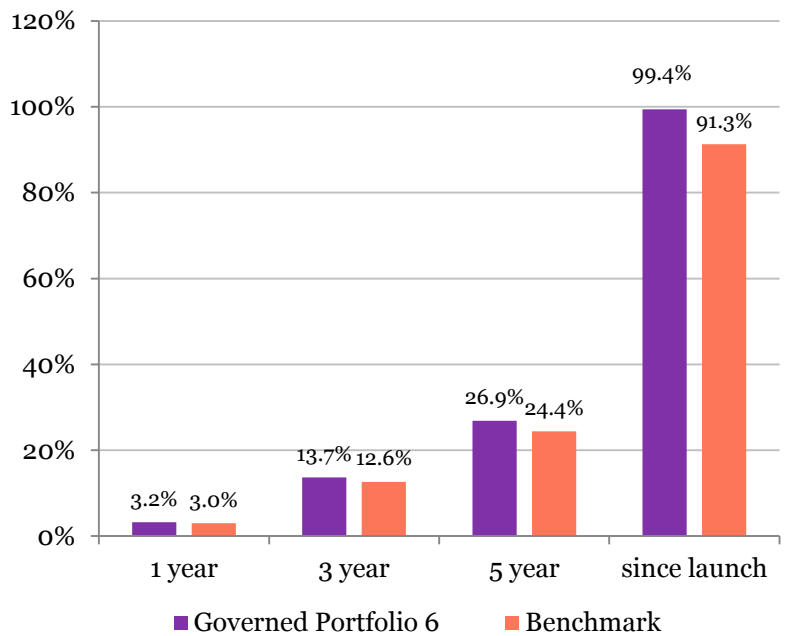
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PORTFOLIO PERFORMANCE AGAINST BENCHMARK CONTINUED

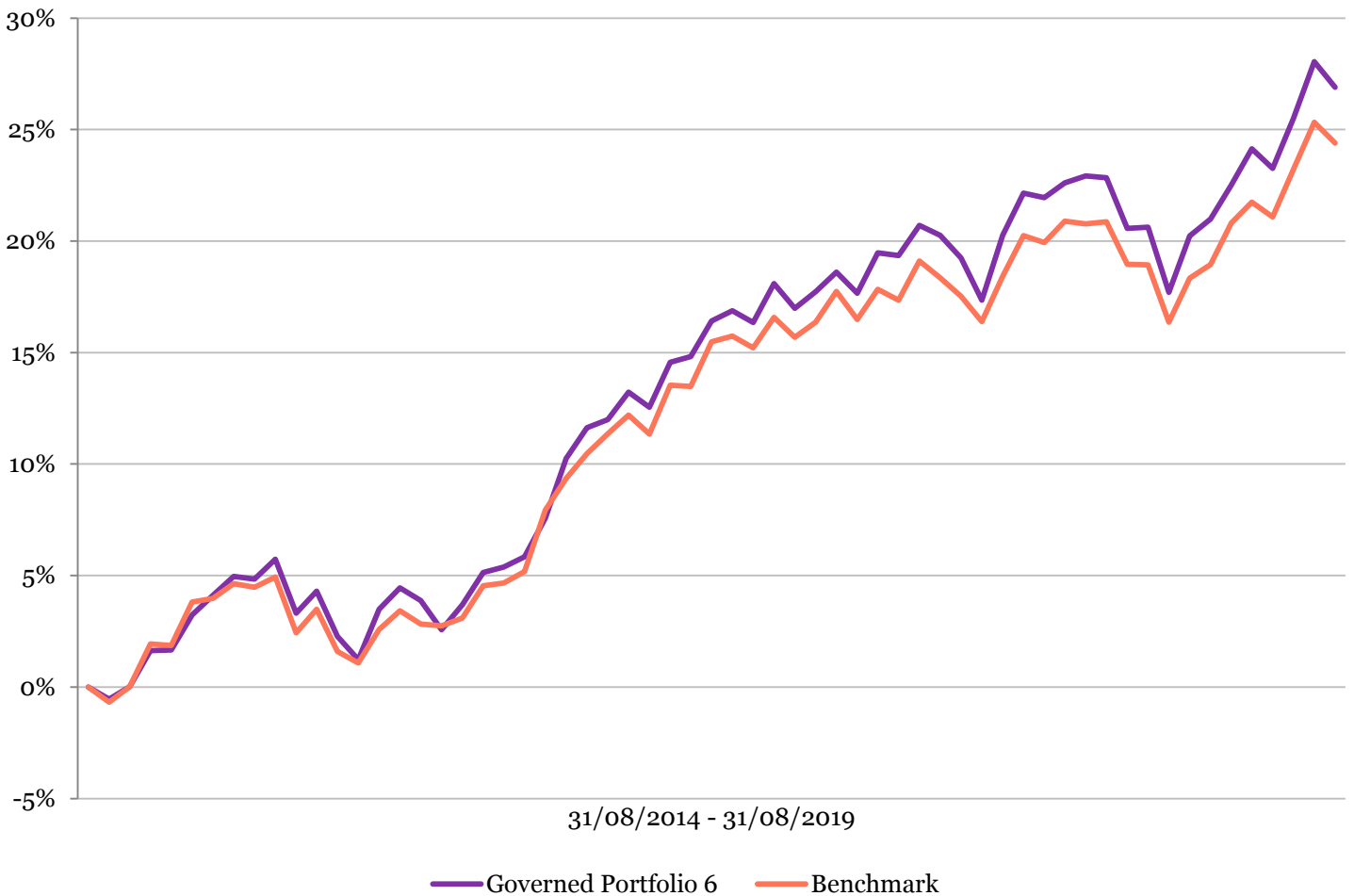
Shorter term:



Longer term:



5 YEAR PERCENTAGE GROWTH



Source: Lipper, Royal London, as at 31.08.19. 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:

15th August 2019

Global equities rose for the sixth month this year in July as the Federal Reserve cut US interest rates in response to slowing growth. While the US-China trade talks showed few signs of progress, investors remained hopeful of a resolution. Given muted inflation, we expect monetary easing by central banks to trigger a mini cyclical upswing. We have taken advantage of short-term market weakness to move more overweight in equities, increasing our underweight in commodities; and, as bond yields declined to new lows, have reduced our holdings of government, corporate and global high yield bonds.

11th July 2019

Stock markets rebounded in June as investor sentiment recovered due to the Federal Reserve signalling it would likely cut rates in July. Trade tensions also appeared to ease as there were positive signals about a US deal with China. Despite ongoing political uncertainty and slower global growth, risk of global recession in 2020 has arguably reduced as policymakers signalled easier policies. We have moved more overweight in equities. We also added to high yield and reduced our underweight in commodities, given upside risks to oil prices.

13th June 2019

Global stock markets retrenched in May as President Trump reignited trade wars with China, having imposed tariffs on specific imports from China, and they retaliated; hopes of a US-China trade deal reduced. Economic data deteriorated slightly and antitrust scrutiny weighed on technology stocks. Central banks are concerned about trade tensions and are closer to cutting interest rates, which should boost investor sentiment. We have moved overweight in UK government bonds, given weaker inflation expectations, and retain a moderate overweight in equities, given positive global growth persisting; while reducing exposure to cash, and commodities which are sensitive to global trade slowing.

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HOLDINGS DATA

| | |
|--|--------------|
| Total Equity | 38.0% |
| UK Equities | 18.9% |
| Royal London FTSE 350 Tracker | 9.6% |
| Royal London UK Equity | 0.6% |
| Royal London UK Mid Cap Growth | 0.5% |
| Royal London UK Dividend Growth | 1.1% |
| RLP UK Mid Cap | 0.1% |
| Royal London UK Smaller Companies | 0.4% |
| Royal London UK Opps fund | 1.7% |
| ICF FTSE 100 IDX FU MAR19 | 5.6% |
| US Equities | 10.3% |
| Royal London US Tracker | 8.6% |
| CME S&P EMI FUT MAR19 | 1.7% |
| European Equities | 2.5% |
| Royal London European Growth | 1.0% |
| Royal London Europe ex UK Tracker | 0.7% |
| Royal London European Opportunities | 0.6% |
| EUX EUR STO 50 MAR19 | 0.2% |
| Asia Pacific Equities | 2.1% |
| Royal London Asia Pacific ex Japan Tracker | 1.0% |
| Royal London Japan Tracker | 1.2% |
| HKG HAN SEN IDX FUT Jan19 | -0.1% |
| Global Equities | 2.6% |
| Royal London Global Diversified | 3.4% |
| MSE S&P TSX 60 FUT MAR19 | 0.5% |
| OSE TOP IND FUT MAR19 | -1.0% |
| SFE SPI 200 FUT Mar19 | -0.2% |

| | |
|--|--------------|
| Emerging Markets Equities | 1.1% |
| Royal London Emerging Markets Equity Tracker | 1.5% |
| NYF MSC EMG MAR19 | -0.3% |
| Other | 0.4% |
| Cash Holdings | 0.4% |
| Total Commodities | 4.0% |
| RLP Commodity | 4.0% |
| Total Property | 12.5% |
| RLP Property | 12.5% |
| Total High Yield | 4.6% |
| RLP Global High Yield Bond | 2.3% |
| RLP Short Duration Global High Yield | 2.3% |
| Total Corporate | 12.4% |
| RLP Short (5yr) Corporate Bond | 12.4% |
| Total Index Linked | 11.7% |
| RLP Short (5yr) Index Linked | 11.7% |
| Total Gilts | 11.4% |
| RLP Short (5yr) Gilts | 11.4% |
| Total Absolute Return (inc. cash) | 5.4% |
| RLP Cash Plus | 1.1% |
| RLP Absolute Return Government Bond | 4.3% |

The allocations shown are derived by using the latest tactical allocation as at 15.08.2019 and latest fund holdings data as at 31.08.19. 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 you understand the potential risks associated with this portfolio. We have detailed below the specific risks we think you should 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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