

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.

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 extra cost.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	12.01.09
AUM (£m)	4244.4
Annual management charge (AMC)	1.00%
Investment expenses	0.00%
Total expense ratio (TER)*	1.00%
Transaction Costs (2020)	0.104%
Royal London Risk Rating	Balanced Short Term
Benchmark	Composite benchmark – see factsheet for further details
Latest tactical change	15.04.2021

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

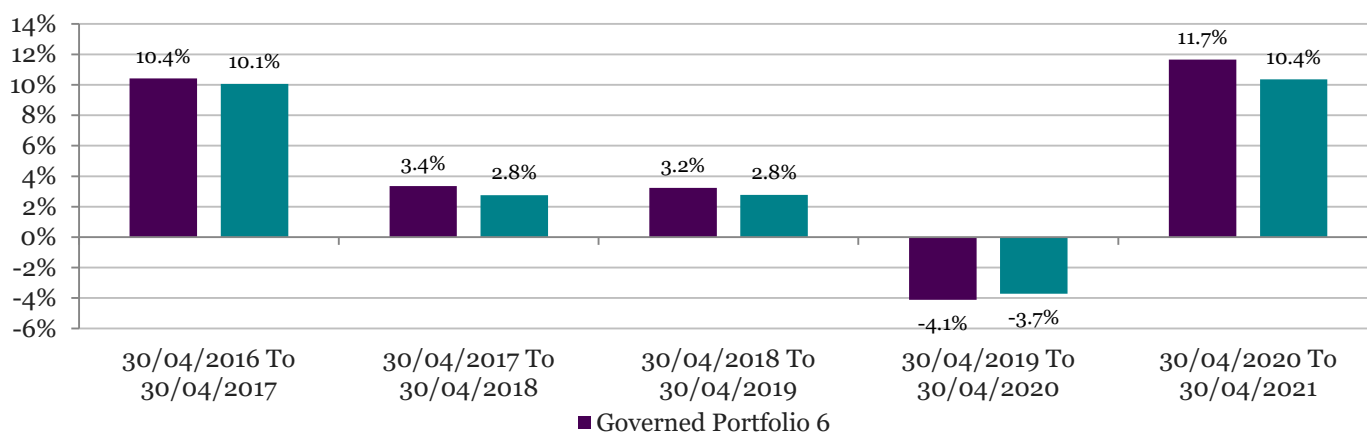
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	32.50%	37.25%	4.75%	Overweight
Gilts	11.66%	8.21%	-3.45%	Underweight
Corporate Bonds	11.67%	11.87%	0.20%	Overweight
Index Linked	11.67%	10.67%	-1.00%	Underweight
Property	10.00%	9.25%	-0.75%	Underweight
Absolute Return Strategies (inc. Cash)	12.50%	9.35%	-3.15%	Underweight
High Yield	5.00%	7.40%	2.40%	Overweight
Commodities	5.00%	6.00%	1.00%	Overweight

Latest tactical positions as at 15.04.2021

Portfolio performance against benchmark

The past 5 years:

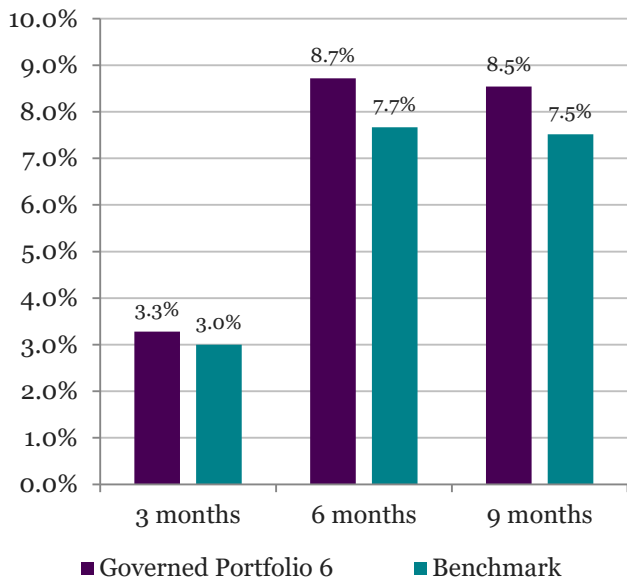


Source: Lipper, Royal London, as at 30.04.21. All performance figures shown, including those shown for the growth in the benchmark, have been calculated net of a 1% Annual Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the full amount of capital originally invested. Investment returns may fluctuate and are not guaranteed.

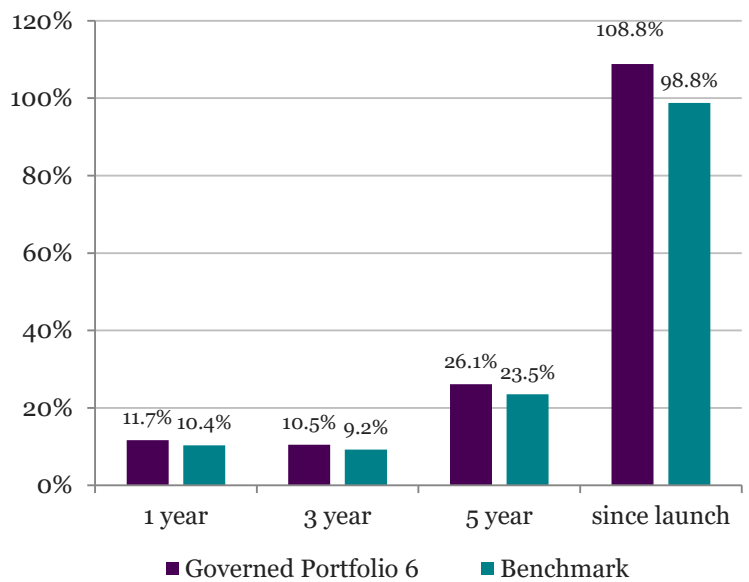
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Portfolio performance against benchmark continued

Shorter term:



Longer term:



5 year percentage growth



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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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**TACTICAL
ALLOCATION
CHANGES**

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**STRATEGIC
ALLOCATION
CHANGES**

Last 3 tactical changes:

15th April 2021

Global equities were strong in March, as successful vaccine programmes and loose monetary and fiscal policy reinforced positive sentiment. While global government bond markets settled, regional performance was mixed; ECB support saw European yields fall in contrast with global trends. Given strong global growth, we have increased our equities overweight, cut overweights in commodities and corporate bonds, and increased our underweight in gilts. The overweight to global high yield bonds remained but we increased our preference for short duration assets. Our underweight in commercial property was also slightly reduced.

11th March 2021

The success of vaccination programmes and declining Covid-19 case numbers in the US and Europe fuelled expectations of a strong economic recovery this year, driving positive global equity returns. Meanwhile, anticipation of significant US fiscal stimulus raised concerns about inflation causing global bond yields to rise. Due to short-term market volatility we have reduced our overweight exposures to equities, commodities, corporate bonds and global high yield bonds. We also moved further underweight in gilts. This benefited our cash allocation, which has moved less underweight. The underweight exposure to commercial property remains unchanged.

4th February 2021

Global equities marked time in January following strong performance, impacted by viral mutations and extended lockdowns. However, the positive start for vaccination programmes increases confidence in a return to more normal conditions later this year. In the meantime, the \$1.9trn fiscal package proposed by the Biden administration should boost the US economic recovery. We used market weakness to add to our overweight in equities by moving more underweight in cash and gilts, and also added further to commodities and global high yield bonds. Otherwise, we are moderately overweight in investment grade corporate bonds and underweight in commercial property.

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Holdings data

Total Equity	37.2%
UK Equities	13.6%
Royal London FTSE 350 Tracker	8.7%
Royal London UK Equity	0.5%
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 Index Future	1.2%
US Equities	11.2%
Royal London US Tracker	8.8%
CME S&P EMI Future	2.4%
European Equities	2.7%
Royal London European Growth	1.6%
Royal London Europe ex UK Tracker	0.6%
Royal London European Opportunities	0.0%
EUX EUR STO 50	0.5%
Asia Pacific Equities	2.3%
Royal London Asia Pacific ex Japan Tracker	1.2%
Royal London Japan Tracker	1.2%
HKG HAN SEN Index Future	-0.1%
Global Equities	4.0%
Royal London Global Diversified	3.8%
MSE S&P TSX 60 Future	0.4%
OSE TOP Index Future	0.1%
SFE SPI 200 Future	-0.3%

Emerging Markets Equities	3.3%
Royal London Emerging Markets Equity Tracker	3.1%
NYF MSC EMG	0.2%
Other	0.2%
Cash Holdings	0.2%
Total Commodities	6.0%
RLP Commodity	6.0%
Total Property	9.3%
RLP Property	9.3%
Total High Yield	7.4%
RLP Global High Yield Bond	5.8%
RLP Short Duration Global High Yield	1.7%
Total Corporate	11.9%
RLP Short (5yr) Corporate Bond	11.9%
Total Index Linked	10.7%
RLP Short (5yr) Index Linked	10.7%
Total Gilts	8.2%
RLP Short (5yr) Gilts	8.2%
Total Absolute Return (inc. cash)	9.4%
RLP Deposit	3.4%
RLP Cash Plus	2.0%
RLP Absolute Return Government Bond	4.0%

The allocations shown are derived by using the latest tactical allocation as at 15.04.2021 and latest fund holdings data as at 30.04.21. 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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