

INVESTMENT OBJECTIVE

This portfolio aims to deliver growth above inflation to support regular income withdrawals, whilst taking a level of risk consistent with a risk rating 2 risk attitude.

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 | 28.08.12 |
| AUM (£m) | 424.8 |
| Annual management charge (AMC) | 1.00% |
| Investment expenses | 0.00% |
| Total expense ratio (TER)* | 1.00% |
| Transaction Costs (2018) | -0.095% |
| Royal London Risk Rating | 2 |
| Benchmark | Composite benchmark – see factsheet for further details |
| Latest tactical change | 07.03.2019 |

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

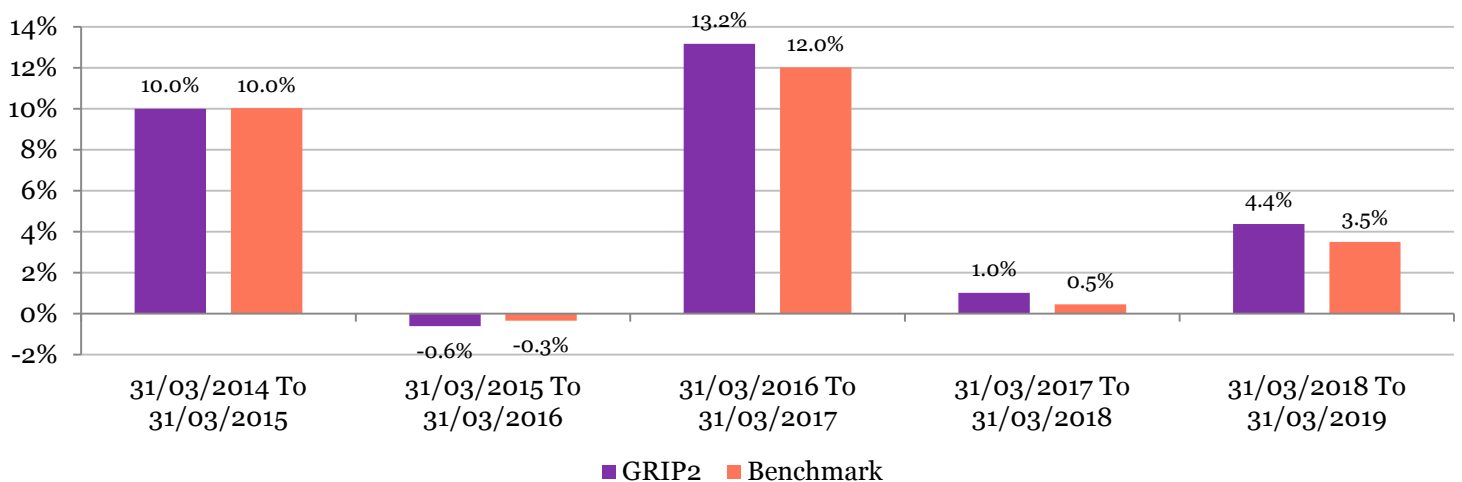
LATEST POSITIONING

| Asset Class | Benchmark | Tactical | +/- | Positioning |
|--|-----------|----------|--------|-------------|
| Equity | 20.00% | 21.75% | 1.75% | Overweight |
| Gilts | 15.00% | 14.65% | -0.35% | Underweight |
| Corporate Bonds | 15.00% | 15.85% | 0.85% | Overweight |
| Index Linked | 15.00% | 15.00% | 0.00% | Neutral |
| Property | 7.50% | 7.50% | 0.00% | Neutral |
| Absolute Return Strategies (inc. Cash) | 15.00% | 12.35% | -2.65% | Underweight |
| High Yield | 7.50% | 9.15% | 1.65% | Overweight |
| Commodities | 5.00% | 3.75% | -1.25% | Underweight |

Latest tactical positions as at 07.03.2019

PORTFOLIO PERFORMANCE AGAINST BENCHMARK

The past 5 years:

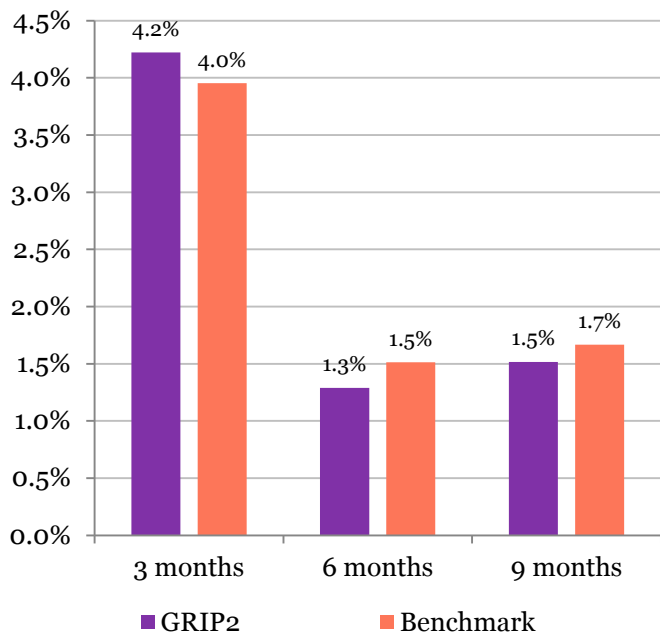


Source: Lipper, Royal London, as at 31.03.19. All performance figures shown, including those shown for the growth in the benchmark, have been calculated net of a 1% Annual Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the full amount of capital originally invested. Investment returns may fluctuate and are not guaranteed.

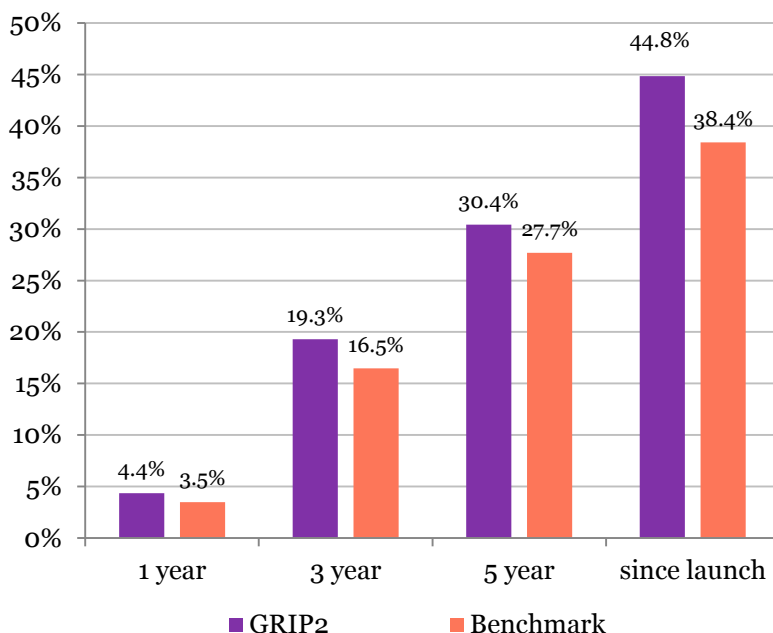
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PORTFOLIO PERFORMANCE AGAINST BENCHMARK CONTINUED

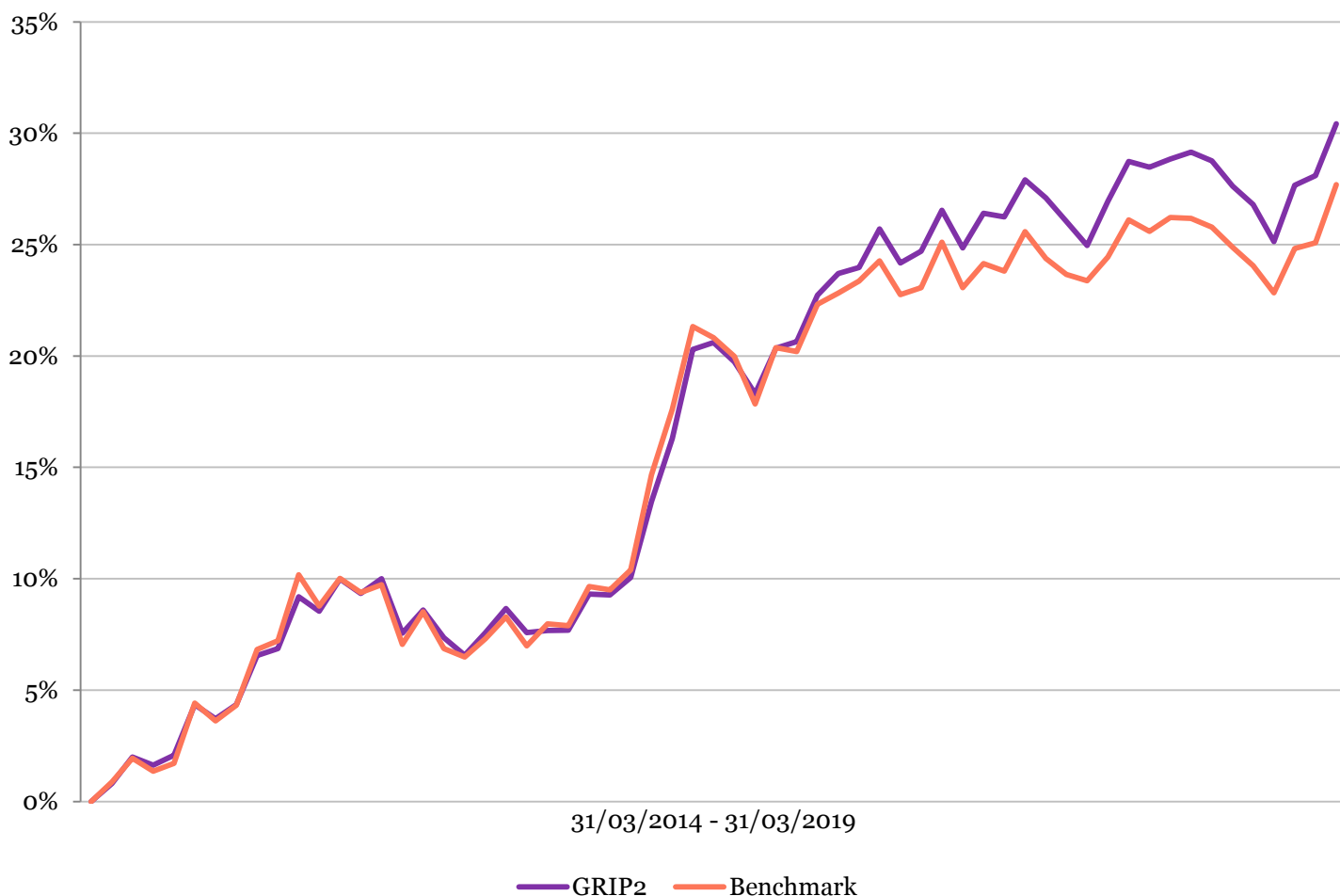
Shorter term:



Longer term:



5 YEAR PERCENTAGE GROWTH



Source: Lipper, Royal London, as at 31.03.19. 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 Retirement Income 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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INVESTMENT
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TACTICAL
ALLOCATION
CHANGES

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STRATEGIC
ALLOCATION
CHANGE

LAST 3 TACTICAL CHANGES

Tactical Change - 7th March 2019

After months of depressed readings, investor sentiment has rebounded sharply and now seems very optimistic. Having bought in the market weakness at the end of 2018, we have reduced equity exposure in recent rallies, taking profits, as well as our holdings in commodities and government bonds. The proceeds were moved into short duration global high yield debt and cash to reinvest if equity markets fall. We would like to see evidence that Chinese stimulus measures are boosting growth before becoming more positive again.

Tactical Change - 7th February 2019

Investor sentiment has returned to normal levels, rebounding from very depressed readings recorded in the last quarter. We think markets were premature to price in a recession, but near term economic activity remains weak. Having bought in market weakness at the end of 2018, we have reduced equity exposure in recent rallies, taking profits; the proceeds were moved into government bonds, commodities and short duration global high yield debt. We would like to see evidence of Chinese stimulus measures and a pause in US rate hikes boosting growth before getting more positive again.

Tactical Change - 10th January 2019

Equities markets have priced in a US recession, which we believe is premature given strong labour market data and low real interest rates, although recent housing weakness is a concern. At the same time, our investor sentiment indicator remains oversold. In our view, the current recovery in stock prices has further to run; we again bought equities, increasing our above benchmark allocation, funded out of commodities. We may look to sell into rallies, as stronger economic activity in 2019 would probably spur a resumption of US rate hikes, ending the current business cycle.

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HOLDINGS DATA

| | |
|---|--------------|
| Total Equity | 21.8% |
| UK Equities | 10.7% |
| Royal London FTSE 350 Tracker fund | 6.3% |
| Royal London UK Equity fund | 0.4% |
| Royal London UK Mid Cap Grwth fund | 0.3% |
| Royal London UK Dividend Growth fund | 0.7% |
| RLP UK Mid Cap fund | 0.1% |
| Royal London UK Smaller Cos fund | 0.2% |
| Royal London UK Opps fund | 1.7% |
| ICF FTSE 100 IDX FU MAR19 | 1.9% |
| US Equities | 5.4% |
| Royal London US Tracker Fund | 5.2% |
| CME S&P EMI FUT MAR19 | 0.2% |
| European Equities | 1.1% |
| Royal London European Growth fund | 0.6% |
| Royal London Europe ex UK Trkr fund | 0.5% |
| Royal London European Opps fund | 0.3% |
| EUX EUR STO 50 MAR19 | -0.3% |
| Asia Pacific Equities | 1.3% |
| Royal London Asia Pacific ex Jap Tkr fund | 0.6% |
| Royal London Japan Tkr fund | 0.8% |
| HKG HAN SEN IDX FUT Jan19 | -0.1% |
| Global Equities | 1.8% |
| Royal London Global Diversified fund | 2.1% |
| MSE S&P TSX 60 FUT MAR19 | 0.2% |
| OSE TOP IND FUT MAR19 | -0.3% |
| SFE SPI 200 FUT Mar19 | -0.2% |

| | |
|---|-------------|
| Emerging Markets Equities | 1.3% |
| Royal London Emerging Markets Equity Track fund | 0.9% |
| NYF MSC EMG MAR19 | 0.4% |
| Other | 0.1% |
| Cash Holdings | 0.1% |

| | |
|--------------------------|-------------|
| Total Commodities | 3.8% |
| RLP Commodity | 3.8% |

| | |
|-----------------------|-------------|
| Total Property | 7.5% |
| RLP Property | 7.5% |

| | |
|--------------------------------------|-------------|
| Total High Yield | 9.2% |
| RLP Global High Yield Bond | 3.6% |
| RLP Short Duration Global High Yield | 1.8% |
| RLP Sterling Extra Yield Bond | 3.8% |

| | |
|----------------------------------|--------------|
| Total Corporate | 15.9% |
| RLP Medium (10yr) Corporate Bond | 15.9% |

| | |
|--------------------------------|--------------|
| Total Index Linked | 15.0% |
| RLP Medium (10yr) Index Linked | 15.0% |

| | |
|-------------------------|--------------|
| Total Gilts | 14.7% |
| RLP Medium (10yr) Gilts | 14.7% |

| | |
|--|--------------|
| Total Absolute Return (inc. cash) | 12.4% |
| RLP Deposit | 1.4% |
| RLP Cash Plus | 8.0% |
| RLP Absolute Return Government Bond | 3.00% |

The allocations shown are derived by using the latest tactical allocation as at 07.03.2019 and latest fund holdings data as at 31.03.19. 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 | No | Money Market | Yes |
| Geared Investment | Yes | Stock Lending | Yes |



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