



## **GOVERNED RANGE GOVERNED RETIREMENT INCOME PORTFOLIO 5 FACTSHEET**

**Risk Grading : Risk Rating 5**

### **What is a Governed Retirement Income Portfolio?**

Choosing a suitable portfolio of funds to meet your requirements can be difficult. Our range of Governed Retirement Income Portfolios is designed to help with exactly that.

A Governed Retirement Income Portfolio matches your risk attitude to a suitable mix of assets and funds. There are five portfolios to choose from so you can select the one that best suits your risk attitude.

### **What governance process is in place?**

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. The value of your investment can go down as well as up and you may not get back the value of the original investment.

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.

For full details of our governance process please visit our website at [\*\*royallondon.com/pensioninvestments\*\*](https://royallondon.com/pensioninvestments).

### **Who is this portfolio designed for?**

It is designed for someone who is taking income from their plan and can accept a level of uncertainty in their future income consistent with a risk rating 5 attitude to risk.

If you are in any doubt about the suitability of any particular type of investment, you should seek professional financial advice.

Advisers may charge for providing such advice and should confirm any costs beforehand.

### **What is the 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 5 risk attitude.

### **Where is the portfolio invested?**

The fund mix of the portfolio as at 9th May 2024 is shown below:

<b>Governed Retirement Income Portfolio 5</b>	
RLP Sterling Extra Yield Bond	6.25%
RLP UK Corporate Bond	4.05%
RLP Global Corporate Bond	2.05%
RLP Short Duration UK Corporate Bond	1.55%
RLP UK Government Bond	2.92%
RLP Short Term Fixed Income	0.90%
RLP Global Government Bond	0.55%
RLP Property	8.57%
RLP UK Index Linked	2.35%
RLP Deposit	2.61%
RLP Global High Yield Bond	5.57%
RLP Short Duration Global High Yield	1.50%
RLP Commodity	5.20%
RLP Absolute Return Government Bond	1.15%
RLP Global Managed	54.78%

The Global Managed fund invests in UK, Global and Emerging Market equities. The current benchmark split is 25% UK Equities, 65% Global Equities and 10% Emerging Market Equities. You can replace the Global Managed pension fund with an alternative equity fund or funds from the Royal London Pensions fund range.

If you want to know more about any of the funds within your portfolio, including details of fund charges, please visit our website [royallondon.com/pensioninvestments](https://royallondon.com/pensioninvestments) and view the relevant fund factsheet.

### **Does the portfolio rebalance?**

This portfolio rebalances monthly. If a portfolio is not rebalanced regularly, the asset mix can drift significantly over time changing the suitability of the portfolio.

### **What is the portfolio benchmark?**

The benchmark is a target against which performance is measured.

This benchmark is regularly reviewed and may be updated by Royal London so that it remains appropriate for the investor profile as detailed in the section **"Who is this portfolio designed for?"** or where a component index is discontinued or replaced.

The benchmark for this portfolio is a composite of indices:

FTSE World Index (32.50%)/FTSE All Share Index (12.50%)	45.00%
MSCI Emerging Markets ESG Index	5.00%
ABI UK - UK Direct Property	10.00%
Bloomberg Commodity Index	5.00%
Markit iBoxx Sterling Non Gilts BBB Index	6.25%
BofA Merrill Lynch Global HY Constrained GBP Hedged Index	6.25%
Markit iBoxx Sterling Non-Gilt Index	4.00%
Bloomberg Global Aggregate GBP Hedged Index	2.00%
ICE BofA Merrill Lynch 1-5 Year Sterling Non-Gilt Index	1.50%
FTSE Actuaries UK Index Linked Gilts (All Stocks) Index	2.50%
FTSE Actuaries UK Conventional Gilts (All Stocks) Index	4.00%
JPMorgan Global GBI Hedged Index	1.00%
Sterling Overnight Index Average (SONIA)	7.50%

### **Details of changes to the portfolio**

The following table documents the last 3 changes that Royal London have made to this portfolio.

<b>Effective Date of Change</b>	<b>Overview of Changes</b>
09/05/2024	<b>Governed Retirement Income Portfolio 5</b> With growth data relatively resilient and inflation data remaining stronger than expected, markets have moved to fear that interest rates may stay higher for longer than previously expected. We have moved to a modest overweight position in commodities, which tend to outperform in this macro environment. We remain overweight equities but have taken profits and reduced the size of this position as the macro tailwinds supporting the asset class continue to fade. Elsewhere we remain underweight bonds and property.

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Effective Date of Change	Overview of Changes
18/04/2024	<b>Governed Retirement Income Portfolio 5</b> We remain overweight equities as the fundamental picture continues to be supportive. However, we have reduced the size of our overweight in stocks given signs that resilient economic data could see policy rates staying higher for longer. We are modestly underweight bonds. Elsewhere, we have added to commodities; a pickup in global growth outlook has come alongside supply concerns and an increase geopolitical risk, all which provide upside risk for the asset class. We remain underweight property.
21/03/2024	<b>Governed Retirement Income Portfolio 5</b> Global stocks have continued to make new highs, and we believe this may have further to run. We remain overweight equities and expect the recent improvements in global growth indicators to feed through to corporate earnings upgrades over the year. Elsewhere, we have trimmed our underweight position in commodities, which have picked up from low levels. Oil prices have risen amid rising geopolitical risk and reduction in US inventories. We remain broadly neutral bonds and underweight property.

**Royal London**

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We're happy to provide your documents in a different format, such as Braille, large print or audio, just ask us when you get in touch.

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