MULTI ASSET
SOLUTIONS

THE GLOBAL MULTI ASSET
PORTFOLIO RANGE

MULTI ASSET INVESTING

Selecting the right assets at the right time is an increasing challenge for investors and advisers alike. With multi asset funds growing in popularity, the benefits of a diversified core holding are well-known.

- **Diversification** – multi asset funds offer in-built diversification with investments spread across different asset classes, sectors and regions, seeking to create smoother returns over time.

- **Controlling risk** – we offer a range of risk-rated funds to suit a broad spectrum of individual client needs with neighbouring portfolios offering consistent outcomes as asset class weights vary gradually across the range.

- **Active management** – using the skills of an experienced asset allocation team, multi asset funds can attempt to anticipate and be responsive to market fluctuations, adjusting exposures with the aim of maximising performance potential and mitigating losses.

- **Time efficiency** – the diversified nature of multi asset funds means they could be suitable as a single core holding, particularly for investors with smaller amounts to invest, allowing advisers to cut down on the administrative time and research required to build a portfolio of individual funds.

- **Capital Gains Tax** – within a multi asset fund, the manager can switch the underlying investments as necessary without having to pay Capital Gains Tax (CGT). This could be a more tax efficient means of managing a client's portfolio compared to multiple transactions across funds[*].

* This is based on our understanding of current tax law and may be subject to change.

❝ 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. ❞

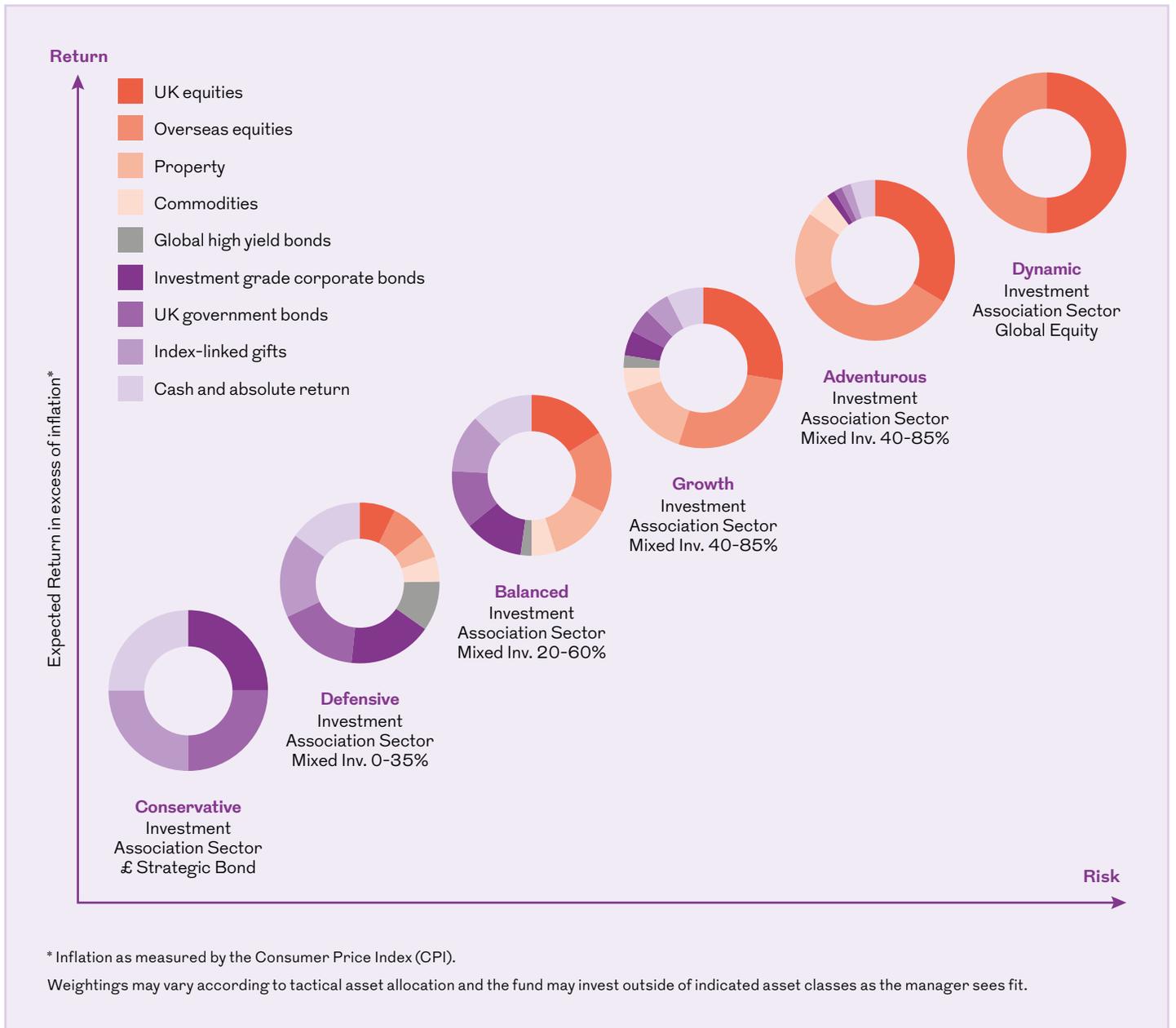**Trevor Greetham, Head of Multi Asset**

Why GMAPs?

The RL Global Multi Asset Portfolios (GMAPs) could be suited to a broad range of investor needs and risk appetites, either as a core holding within a portfolio or complementing existing holdings. The GMAPs offer the following key features:

- **Track record** – GMAPs use the same disciplined and repeatable investment process applied to the Royal London Governed Portfolios, the UK's largest pensions-specific centralised investment proposition with assets under management of over £30bn* and a strong nine year track record of performance and risk management. The blend of assets in the GMAPs aligns closely with the Governed Portfolios meaning that investors wishing to access the expertise of Royal London Asset Management's (RLAM) multi asset team will have the flexibility to do so either within a Royal London pension or an ISA or investment account.

- **Risk-based portfolio construction and governance** – the GMAPs have been designed in conjunction with Moody's Analytics with the objective of maximising return in excess of inflation for a given level of risk. An Independent Advisory Committee oversees the funds' risk metrics on an ongoing basis.

- **Broad asset class coverage** – the GMAPs invest in a wide range of asset classes, including equities, bonds, property and commodities, offering exposure to growth in the global economy, as well as assets acting as a store of value.

- **Tactical asset allocation** – the team has considerable experience as asset allocators and we anticipate that tactical asset allocation will be an important driver of potential returns within the funds. Tactical positions will generally be implemented using derivatives to reduce costs and increase flexibility.

- **Differentiated investment process** – the team uses a number of back-tested quantitative models, including the Investment Clock illustrated later, to assess trends in the economy and financial markets and to assist the decision making process.

- **Value for money** – focusing on RLAM's own strategies means that the team has deep insight into the investment decisions made within the funds and can monitor risk effectively at the overall portfolio level. This also means that the GMAPs offer a cost effective solution combining the best of active and passive investing. With a target Ongoing Charges Figure (OCF) of 0.60%, the funds are competitively priced.

- **Experience and expertise** – RLAM has been managing multi asset portfolios on behalf of clients including the Royal London Group since 1988. Our team of seven multi asset specialists has an average of 20 years' investment experience and is responsible for the asset allocation of approximately £65.5bn of assets (source: RLAM: as at 31.07.2018). Head of Multi Asset, Trevor Greetham, is a qualified actuary and is a recognised expert in his field, known for his work on the Investment Clock.

- **Risk rated** – the funds have been risk rated by a number of different risk profiling providers. This should make it easier for advisers to identify which funds best fit their clients' needs.

* Governed range assets under management as at August 2018. Includes RL Managed Strategies and DC Retirement Lifestyle Strategies.

Six diversified portfolios offering different risk return profiles

Return

- UK equities
- Overseas equities
- Property
- Commodities
- Global high yield bonds
- Investment grade corporate bonds
- UK government bonds
- Index-linked gifts
- Cash and absolute return

Expected Return in excess of inflation*

Dynamic
Investment
Association Sector
Global Equity

Adventurous
Investment
Association Sector
Mixed Inv. 40-85%

Growth
Investment
Association Sector
Mixed Inv. 40-85%

Balanced
Investment
Association Sector
Mixed Inv. 20-60%

Defensive
Investment
Association Sector
Mixed Inv. 0-35%

Conservative
Investment
Association Sector
£ Strategic Bond

Risk

* Inflation as measured by the Consumer Price Index (CPI).

Weightings may vary according to tactical asset allocation and the fund may invest outside of indicated asset classes as the manager sees fit.

Past performance is not a guide to future performance. The value of investments and the income from them is not guaranteed and may go down as well as up and investors may not get back the amount originally invested.

The Investment Clock

RLAM's Head of Multi Asset, Trevor Greetham, applies a systematic framework for allocating to various asset classes and regions with investment decisions informed by a range of quantitative models. The most well-known of these is the Investment Clock. Trevor started the research that 'sets' the Investment Clock model in the 1990s. The Investment Clock relates the global business cycle to the performance of various investments. It incorporates a wide range of indicator data and is used by the team to guide tactical asset allocation across the GMAPs.

The Clock's horizontal axis, left to right, measures inflation while its vertical axis indicates economic growth. In simple terms, the economic cycle moves through waves; from prosperity to decline, with central banks adjusting monetary policy as a means of stabilising activity within the economy. Tracking the movement through each of the Clock's quadrants – Reflation, Recovery, Overheat and Stagflation – can guide rotation across assets and sectors.

While the Investment Clock provides a scientific basis for the team's investment decisions, it and the other tactical models represent the starting point and not the end point of the investment process. Fundamental analysis and investment experience play an important role and the team's decisions also draw on input from the broader RLAM investment teams, experts and policy makers.

The team provides frequent updates on the movements of the Investment Clock through regular blog posts, videos, webinars and in-depth reports. This introduces a high degree of transparency to the team's thinking.

For more information about the Investment Clock and up to date commentary on how the team is managing the GMAP funds please visit www.investmentclock.co.uk
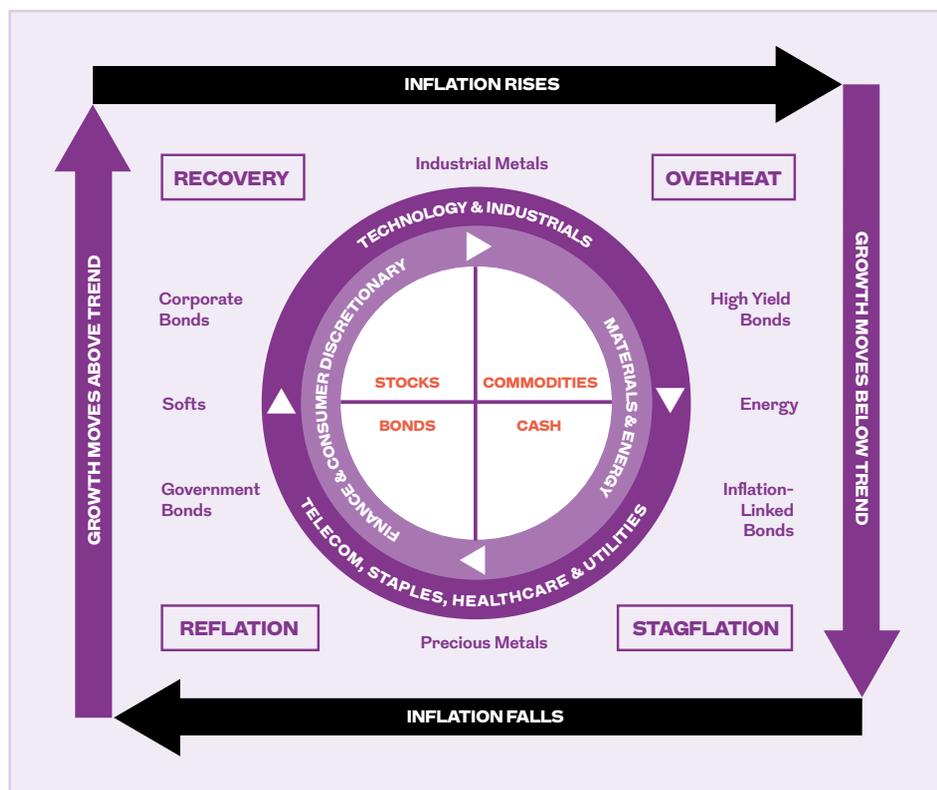
RLAM's Multi Asset team

The GMAP range is managed by **Trevor Greetham**, RLAM's Head of Multi Asset. Prior to joining RLAM in 2015, Trevor was Asset Allocation Director for Fidelity Worldwide Investment, where he was responsible for implementing tactical investment decisions across a wide range of institutional and retail funds, including the Fidelity Multi Asset Strategic Fund. From 1995 to 2005, Trevor was Director of Asset Allocation for Merrill Lynch. Trevor qualified as an actuary with UK life assurer Provident Mutual and has a Master of Arts in Mathematics from Cambridge University. He has over 25 years' investment experience.

Trevor leads the Multi Asset team at RLAM including the following roles:

- Senior Fund Manager, **Simon Rubingh**, is an experienced portfolio manager with a background in tactical asset allocation.

- Senior Economist, **Melanie Baker**, carries out extensive global economic analysis to assist the team in positioning the portfolios and is also an active commentator.

- Senior Quantitative Analyst, **Hiroki Hashimoto**, is responsible for tactical asset allocation models and portfolio design and research.

- Senior Quantitative Analyst, **Jean Marc Lange**, is responsible for the formulation and implementation of tactical investment strategies.

- Investment Director, **Nersen Pillay**, is involved in tactical asset allocation decisions on the portfolios and responsible for the communication of multi asset strategies.

- Implementation Analyst, **Stephen Parry**, executes the views of the team and assists with liquidity management.

- The Multi Asset team is responsible for the tactical asset allocation strategies applied across approximately £65.5 billion of Royal London funds (as at 31.07.2018).

Trevor Greetham
Head of Multi Asset

Simon Rubingh
Senior Fund Manager

Melanie Baker
Senior Economist

Hiroki Hashimoto
Senior Quantitative Analyst

Jean Marc Lange
Senior Quantitative Analyst

Nersen Pillay
Investment Director

Stephen Parry
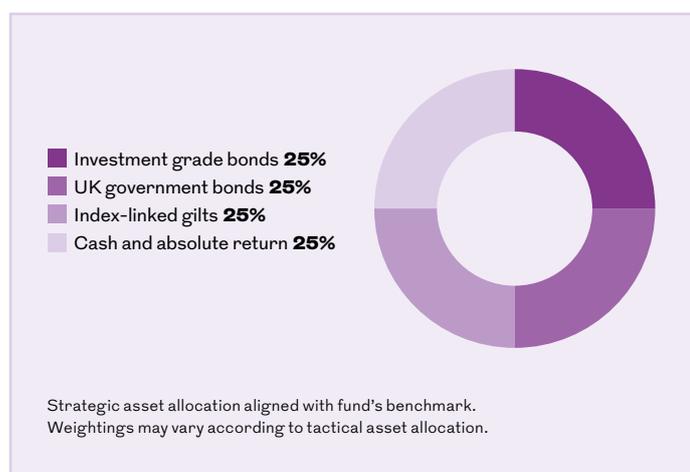Implementation Analyst

MULTI ASSET SOLUTIONS
ROYAL LONDON
GMAP CONSERVATIVE FUND

Who is this fund designed for?

The fund is designed for investors with a low appetite for risk and corresponding low capital return requirement over an investment cycle of approximately 6 to 7 years.

Asset allocation

- Investment grade bonds **25%**
- UK government bonds **25%**
- Index-linked gilts **25%**
- Cash and absolute return **25%**

Strategic asset allocation aligned with fund's benchmark. Weightings may vary according to tactical asset allocation.

Key points

- Invests in fixed income assets only and has the lowest risk return profile within the fund range.
- Exposure to RLAM's actively managed award-winning fixed income funds.
- Benefits from deep insight of investment teams to guide asset allocation across the bond market.

Tolerance

	Max	Min
Gilts	+25%	-25%
Index-linked gilts	+25%	-25%
Credits	+25%	-25%
Cash and absolute return	+25%	-25%

Risk
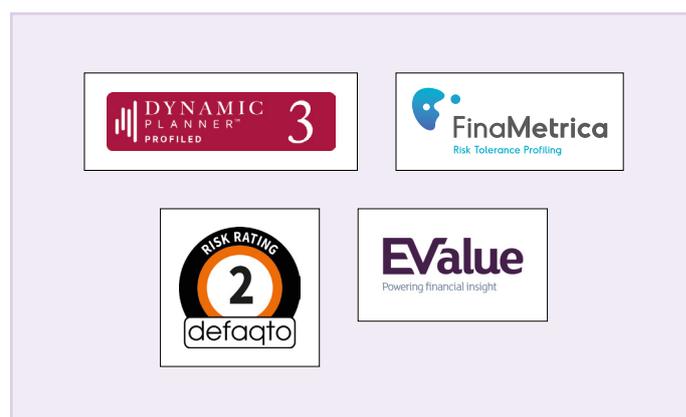
Please see our website for risk ratings methodology www.rlam.co.uk/Home/Intermediaries/Products/Multi-Asset

While the fund is not 'risk managed' to adhere to specific risk levels, these profiles provide a useful reference for evaluating and discussing its risks with investors.
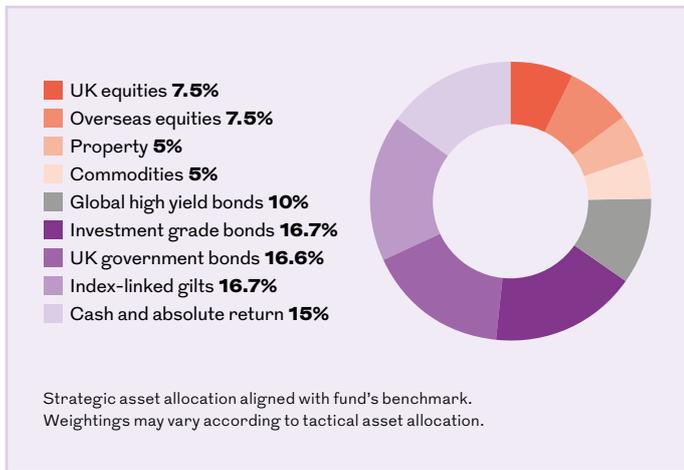
ROYAL LONDON

ASSET MANAGEMENT

MULTI ASSET SOLUTIONS
ROYAL LONDON
GMAP DEFENSIVE FUND

Who is this fund designed for?

The fund is designed for investors with a low appetite for risk and corresponding low capital return requirement over an investment cycle of approximately 6 to 7 years.

Asset allocation

- UK equities **7.5%**
- Overseas equities **7.5%**
- Property **5%**
- Commodities **5%**
- Global high yield bonds **10%**
- Investment grade bonds **16.7%**
- UK government bonds **16.6%**
- Index-linked gilts **16.7%**
- Cash and absolute return **15%**

Strategic asset allocation aligned with fund's benchmark. Weightings may vary according to tactical asset allocation.
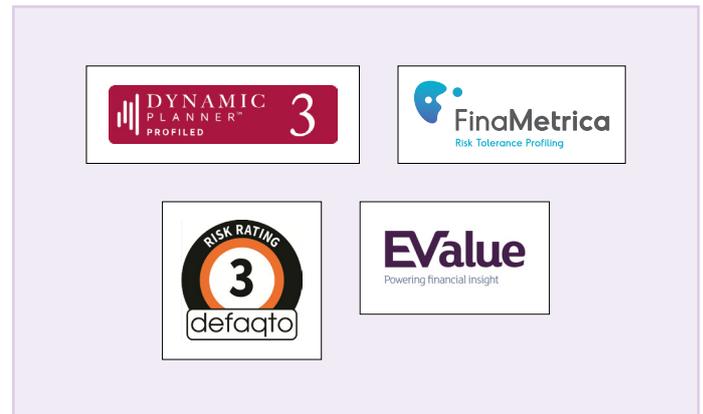
Key points

- Bias towards fixed income assets – low risk return profile.
- Exposure to RLAM's actively managed, award-winning fixed income funds.
- Combination of both active and passive strategies is aimed at balancing cost with performance potential.

Tolerance

	Max	Min
Equities	+15%	-15%
Property	+5%	-5%
Commodities	+5%	-5%
Cash and fixed income	+25%	-25%

Risk

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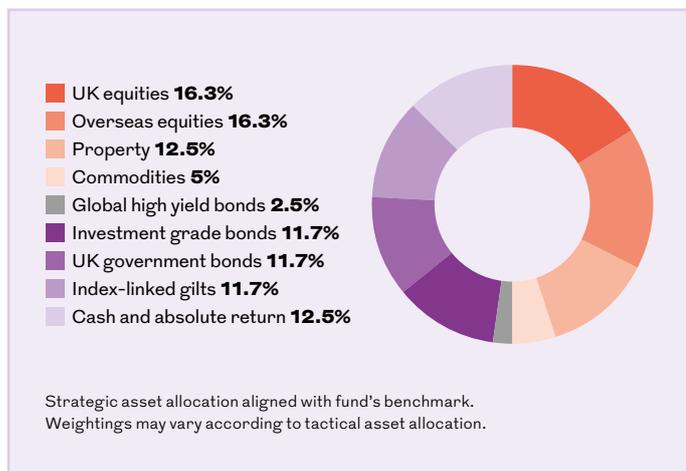
ROYAL
LONDON

ASSET MANAGEMENT

MULTI ASSET SOLUTIONS
ROYAL LONDON
GMAP BALANCED FUND

Who is this fund designed for?

The fund is designed for investors with a mid-level appetite for risk and corresponding mid-level capital return requirement over an investment cycle of approximately 6 to 7 years.

Asset allocation

- UK equities **16.3%**
- Overseas equities **16.3%**
- Property **12.5%**
- Commodities **5%**
- Global high yield bonds **2.5%**
- Investment grade bonds **11.7%**
- UK government bonds **11.7%**
- Index-linked gilts **11.7%**
- Cash and absolute return **12.5%**

Strategic asset allocation aligned with fund's benchmark. Weightings may vary according to tactical asset allocation.
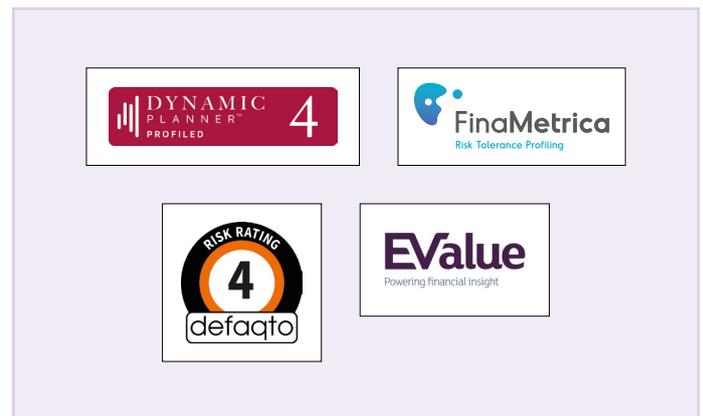
Key points

- Typically equal weighting to fixed income assets and cash versus equities, property and commodities: providing a balance between risk and defensive assets.
- Well-diversified fund with investment across a broad range of different asset classes, sectors and regions.
- Combining active fixed income and property funds with low cost equity trackers and commodities.

Tolerance

	Max	Min
Equities	+15%	-15%
Property	+5%	-5%
Commodities	+5%	-5%
Cash and fixed income	+25%	-25%

Risk

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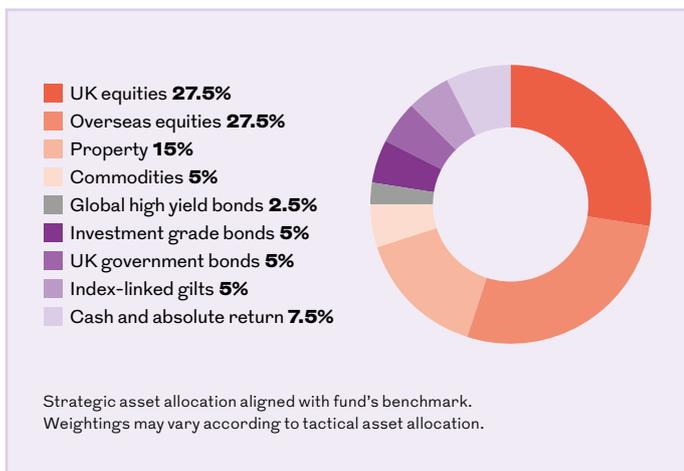
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ASSET MANAGEMENT

MULTI ASSET SOLUTIONS
ROYAL LONDON
GMAP GROWTH FUND

Who is this fund designed for?

The fund is designed for investors with a mid-to-high appetite for risk and corresponding mid-to-high capital return requirement over an investment cycle of approximately 6 to 7 years.

Asset allocation

- UK equities **27.5%**
- Overseas equities **27.5%**
- Property **15%**
- Commodities **5%**
- Global high yield bonds **2.5%**
- Investment grade bonds **5%**
- UK government bonds **5%**
- Index-linked gilts **5%**
- Cash and absolute return **7.5%**

Strategic asset allocation aligned with fund's benchmark. Weightings may vary according to tactical asset allocation.

Key points

- Bias towards equities with some exposure to property and commodities and a small allocation to fixed income assets.
- Well-diversified fund with investment across a broad range of different asset classes, sectors and regions.
- Combining active fixed income and property funds with low cost equity trackers and commodities.

Tolerance

	Max	Min
Equities	+15%	-15%
Property	+5%	-5%
Commodities	+5%	-5%
Cash and fixed income	+25%	-25%

Risk

Please see our website for risk ratings methodology www.rlam.co.uk/Home/Intermediaries/Products/Multi-Asset

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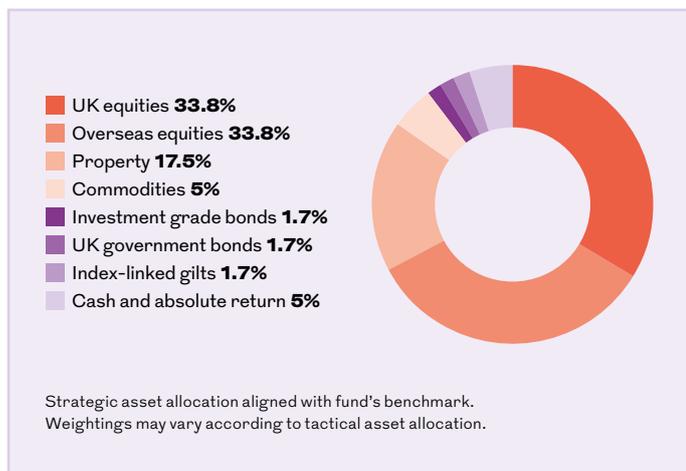
ROYAL LONDON

ASSET MANAGEMENT

MULTI ASSET SOLUTIONS
ROYAL LONDON
GMAP ADVENTUROUS FUND

Who is this fund designed for?

The fund is designed for investors with a high appetite for risk and corresponding high capital return requirement over an investment cycle of approximately 6 to 7 years.

Asset allocation

- UK equities **33.8%**
- Overseas equities **33.8%**
- Property **17.5%**
- Commodities **5%**
- Investment grade bonds **1.7%**
- UK government bonds **1.7%**
- Index-linked gilts **1.7%**
- Cash and absolute return **5%**

Strategic asset allocation aligned with fund's benchmark. Weightings may vary according to tactical asset allocation.

Key points

- Bias towards equities with some exposure to property and commodities and a very small allocation to fixed income assets.
- Well-diversified fund with investment across a broad range of different asset classes, sectors and regions.
- Manager gains exposures to regional markets by using RLAM's cost-effective trackers and has access to third party strategies.

Tolerance

	Max	Min
Equities	+15%	-15%
Property	+5%	-5%
Commodities	+5%	-5%
Cash and fixed income	+25%	-10%

Risk

DYNAMIC PLANNER™ PROFILED 6

FinaMetrica Risk Tolerance Profiling

RISK RATING 7 defaqto

EValue Powering financial insight

Please see our website for risk ratings methodology www.rlam.co.uk/Home/Intermediaries/Products/Multi-Asset

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ROYAL LONDON

ASSET MANAGEMENT

MULTI ASSET SOLUTIONS
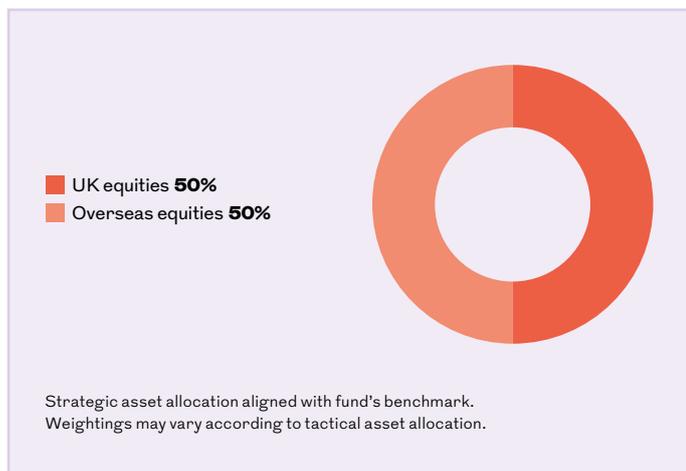# ROYAL LONDON GMAP DYNAMIC FUND

Who is this fund designed for?

The fund is designed for investors with a very high appetite for risk and corresponding very high capital return requirement over an investment cycle of approximately 6 to 7 years.

Asset allocation

■ UK equities **50%**
■ Overseas equities **50%**

Strategic asset allocation aligned with fund's benchmark. Weightings may vary according to tactical asset allocation.

Key points

- An equity only fund maintaining a roughly equal weighting to UK versus overseas equities.
- Manager gains exposures to regional markets by using RLAM's cost-effective trackers and has access to third party strategies.
- Offers diversified exposure across equity markets.

Tolerance

	Max	Min
Equities	+0%	-5%
Property	+0%	-0%
Commodities	+0%	-0%
Cash and fixed income	+5%	-5%

Risk

Please see our website for risk ratings methodology www.rlam.co.uk/Home/Intermediaries/Products/Multi-Asset

While the fund is not 'risk managed' to adhere to specific risk levels, these profiles provide a useful reference for evaluating and discussing its risks with investors.

ROYAL LONDON
ASSET MANAGEMENT

For professional clients only, not suitable for retail investors.

Past performance is not a guide to future performance. The value of investments and the income from them is not guaranteed and may go down as well as up and investors may not get back the amount originally invested.

For more information concerning the risks of investing, please refer to the Prospectus and Key Investor Information document (KIID), which are legal documents that must be read before investing and are available at www.rlam.co.uk