Your review

MR A SAMPLE

Your Royal London pension plan review

Plan number: **1234567**
Review dates: **1 July 2024** to **1 July 2025**

What's **inside**

Welcome

Dear Mr. Sample,

I've recently carried out a review of your Royal London pension plan for the period covering 1 July 2024 to 1 July 2025. As part of this work, I've looked at:

- how your retirement savings have grown since the last review
- the contributions made to your plan and the money you've withdrawn
- the position of your chosen investments and considered their ongoing suitability
- how your investments have been managed and the changes that have been made
- what would happen to your retirement savings in the event of your death or ill-health
- the fees you've paid since the last review
- the future outlook of your plan
- key facts about Royal London

I've summarised all my key findings inside this report.

Additional content

I've also included some additional information at the end of the report that I think you might like to read:

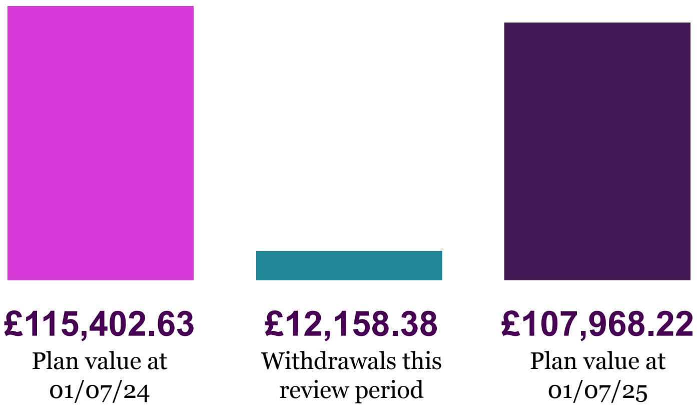
- A closer look at Governed Portfolio Growth
- A closer look at Governed Portfolio Moderate
- A closer look at Governed Portfolio Defensive
- A closer look at Governed Portfolio Enhanced
- A closer look at Governed Portfolio Conservative

.....and more

Your retirement **savings**

Your plan's performance

Your plan started on **16 September 2022**. I've looked at how your plan has performed since your last review and also since it started.



Annualised performance

Over this review period
4.3%

Since your plan started
4.6%

The rates shown in the circle above are annualised, providing a view of performance over a typical one-year period. The rates include the effect of charges over the period shown and are not adjusted for inflation.

A breakdown of your plan value

Your current plan value is made up of:

Income Release Account	Savings Account	Total
£107,968.22	£0.00	£107,968.22

You currently have no tax-free cash available in your plan.

A breakdown of how your plan has performed

I've carried out some calculations to give you a clear view of how your plan has performed.

Here you can see the contributions paid in and any withdrawals you've made. I've also calculated the annual rate of return, during this review period and since your plan started. This is shown as both a percentage and monetary amount. Plan charges have already been deducted.

Contributions into your plan	
In this review period (01/07/24 to 01/07/25)	£0.00
Since your plan started (16/09/22 to 01/07/25)	£126,450.87

Withdrawals from your plan	
In this review period (01/07/24 to 01/07/25)	£12,158.38
Since your plan started (16/09/22 to 01/07/25)	£33,158.38

Plan performance after charges		
In this review period (01/07/24 to 01/07/25)	4.3%	£4,723.97
Since your plan started (16/09/22 to 01/07/25)	4.6%	£14,675.73

Example Text

Your contributions **and withdrawals**

Your current contributions
No regular contributions are being made to your plan.

Contributions made in this review period

Extra money paid into your plan
£160.70

This amount is your Profitshare award.

Contributions made since your plan started
Since 16 September 2022, you've contributed £126,450.87 into your plan. You've also received £504.33 in extra money. That's a total of **£126,955.20** paid into your plan.

Your current withdrawals
You're taking a taxable income of **£1,250.00** from your plan every month.

Money you've withdrawn in this review period

Regular withdrawals
£11,000.00

One-off withdrawals
£1,158.38

Regular tax-free income	One-off tax-free payments	One-off taxable payments	Total
£11,000.00	£533.38	£625.00	£12,158.38

Money you've withdrawn since your plan started
Since 16 September 2022, you've withdrawn **£33,158.38** from your plan, of which £32,533.38 was tax free and £625.00 was taxable.

Example Text

Your **investments**

Your investments

You're currently invested in the Royal London Governed Portfolio Enhanced. This is made up of a suitable mix of assets and funds which aim to achieve an above inflation growth in the value of your fund at retirement.

Your portfolio is reviewed regularly to maintain the best mix of assets in line with its risk category - and to make sure it's 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.

As part of this ongoing review, adjustments are made to the amount held in each fund within your portfolio to take advantage of current market conditions. During this review period 19 changes have been made to your portfolio.

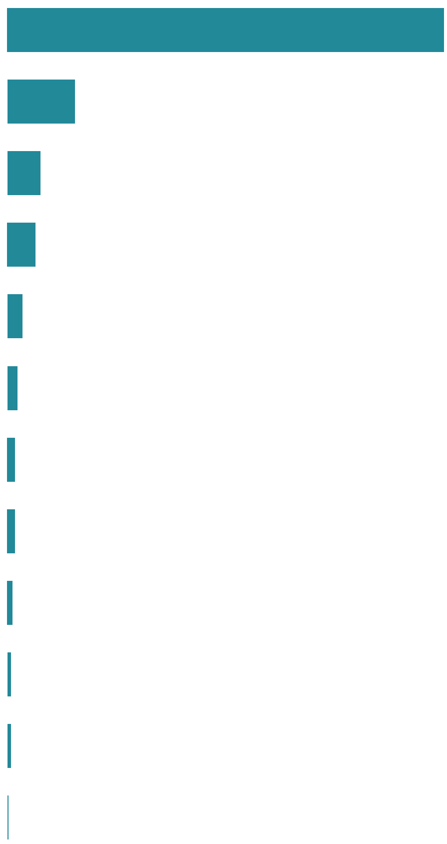
In your portfolio
13 FUNDS

Portfolio management changes
19 CHANGES

Your investment portfolio in detail

Your retirement savings are invested in the following:

RLP Global Managed	70.38%	£75,984.55
RLP Property	10.98%	£11,858.23
RLP Commodity	5.36%	£5,791.15
RLP Deposit	4.63%	£5,002.90
RLP Global High Yield Bond	2.38%	£2,574.14
RLP UK Corporate Bond	1.65%	£1,777.88
RLP Global Government Bond	1.20%	£1,293.97
RLP UK Index Linked	1.14%	£1,228.78
RLP UK Government Bond	0.87%	£937.10
RLP Global Corporate Bond	0.70%	£755.78
RLP Short Duration Global High Yield	0.56%	£602.87
RLP Global Senior ABS Fund	0.11%	£117.97



RLP Global Mezzanine ABS Fund	0.04%	£42.90
		£107,968.22

Example Text

Protecting **the future**

Your Royal London retirement savings

Royal London will be guided by who you nominate when deciding who your retirement savings should be passed to when you die.

Current amount payable
£109,363.59

Your beneficiaries

You have nominated the following people to receive your retirement savings when you die:
MRS A SAMPLE 100% WIFE

If you're unable to do your job due to ill-health, you may be able to take your retirement benefits early. If your life expectancy is less than 12 months, you may be able to take your retirement benefits as a tax-free lump sum.

The total of all tax-free lump sums, including serious ill-health, will be tested against a lifetime limit, set at **£1,073,100**. Any lump sums paid above this level will be taxed at your marginal rate of income tax.

Example Text

Charges **you've paid**

Ongoing professional fees

The current ongoing annual fee as at 11/07/2025 is 0.70% of your plan value and is payable monthly.

During this review period you've paid **£785.37**.

These charges are deducted from your plan.

Royal London management charges

For this review period, you've paid Royal London **£504.21** in plan charges. That's equivalent to 0.45% of the value of your plan each year. This is an indicative rate because there are multiple rates that apply to different contributions you've made.

Your investment return includes transaction costs of **£37.42** for managing the assets of the fund and are already accounted for in the values shown in this statement.

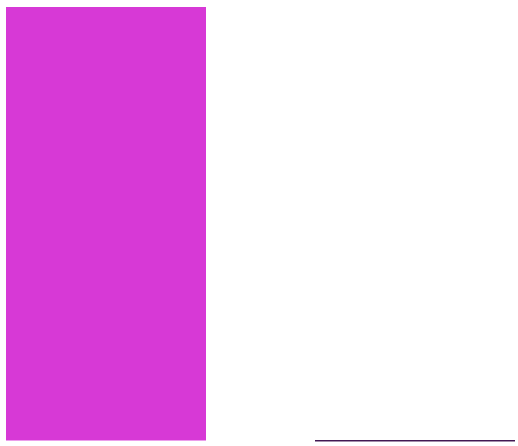
Example Text

Planning **ahead**

Your retirement outlook

To help you plan ahead, below I've provided an indication of what your plan could be worth when you reach your target date of 22 December 2034. This assumes you'll continue taking a yearly income at the current level.

The projected plan value assumes investment growth of 2.9% each year, and includes an allowance for future inflation of 2.0%. I've also factored in charges which will be taken.



£109,319.78
Current plan value

£0.00
Plan value at 22/12/2034

Assuming current income levels continue

Yearly income
£15,000.00

Flexible retirement benefits

Your plan is flexible, so you can make changes to how and when you take your income at any time. The value of your plan may go up or down, so it's important to maintain a sustainable level of income or there's a risk your money will run out.

You also have the option to use the money in your plan to buy an annuity, which would give you a fixed guaranteed income for the rest of your life.

This is just an example. It's not a full illustration of your retirement benefits but I can produce one for you.
Example Text

Key facts about Royal London

Royal London opened their doors for business in 1861. Since then, they've grown to become the largest mutual life, pensions and investment company in the UK[1].

£173.4 billion assets under management [2]

Financial strength that's rated 'very strong' [3]

Royal London are a mutual, allowing them to focus on the long term for the benefit of their customers. Generating value for members, customers and wider society, not shareholders.

When Royal London do well, they'll aim to boost your savings by adding a share of their profits to your plan each year – they call this ProfitShare.

They've awarded ProfitShare for the last 9 years - sharing £181m of their profits from 2024 with their customers in April 2025.

Remember ProfitShare isn't guaranteed.

Responsible business

Royal London want to be recognised as a force for good by playing their part in moving fairly to a sustainable world and helping customers achieve their goals.

Royal London's climate commitments to reduce their carbon footprint include*:

- Engage with policymakers, the companies they invest in, their peers, and other stakeholders to advocate on climate-related issues*
- Reduce the emissions from their investment portfolio by 50% by 2030 as part of the transition to net zero by 2050*
- Develop climate-aware investment solutions that will enable their customers to invest in the low-carbon transition*
- Achieve net zero in their direct operational emissions by 2030 and in their non-investment value chain by 2050*
- Reduce internal paper use by 90% per policy and external paper use by 50% per policy by the end of 2025
- Continue to send zero waste to landfill and reduce total waste per FTE by 50% by the end of 2025
- Purchase 100% renewable energy for electricity by the end of 2025
- Transition 100% of company cars to electric vehicles by 2026

Further details on Royal London's climate commitments and progress made against them can be found in the Royal London Climate Report 2023.

*These commitments are based on the expectation that governments and policy-makers will deliver on their commitments to achieve the goal of the Paris Agreement, and that the required actions do not contravene our fiduciary duty to our members and customers.

1 Based on total 2022 premium income. ICMIF Global 500, 2024.
2 Figures as at 31 December 2024.
3 AKG Financial Analytics Ltd, August 2024.

Solutions you can count on

Defaqto 5 Star rated personal pension and drawdown pension.

They aim to pay tax-free cash within 5 working days.

Access their mobile app to see and understand your pension savings in real time.

Innovative investment solutions

Designed for customers saving for retirement, their Governed Portfolios offer a range of options with different levels of investment risk.

Unique Governed Retirement Income Portfolios for customers who want to flexibly access their savings.

Investments managed by a team of experts and robust and transparent governance from the Investment Advisory Committee.

Flexible products

Stop, start or change your contributions whenever you like.

Change your investments at no extra cost.

If you have a personal pension, your management charge will reduce as the value of your pension savings grows.

Access your pension savings in a number of ways.

defaqto ★★★★★ Drawdown 2025 EXPERT RATED

defaqto ★★★★★ Personal Pension 2025 EXPERT RATED

defaqto ★★★★★ Workplace Pension 2025 EXPERT RATED

Additional **content**

All data to 31.05.2025

A closer look at
Governed Portfolio Growth

Investment objective

This portfolio aims to deliver above inflation growth, whilst taking a medium level of investment risk relative to the other portfolios in the Governed Portfolio range. Investment risk is a measure of the expected volatility. On a scale rating the investment risk of Governed Portfolios from 1 to 7, with 1 being the lowest, this portfolio is a 4.

The portfolio invests in a range of asset classes, that can include, but is not limited to equities, fixed interest, cash, property, and commodities.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	12.01.2009
Fund size (£m)	12453.9
Fund management charge (FMC)	1.00%
Royal London risk rating	4
Latest tactical change	15.05.2025

Ongoing Governance

This portfolio comes with ongoing governance. This simply means that Royal London investment experts check it regularly. It allows them 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 their 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.

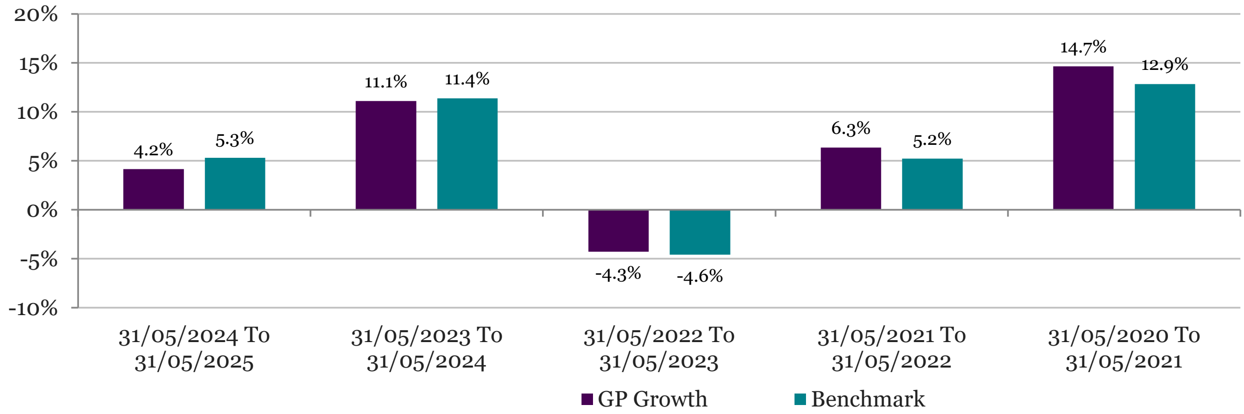
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	57.50%	57.88%	0.38%	Overweight
Government Bonds	7.50%	6.14%	-1.36%	Underweight
Corporate Bonds	7.50%	8.10%	0.60%	Overweight
Index Linked Bonds	2.50%	1.95%	-0.55%	Underweight
Property	10.00%	9.80%	-0.20%	Underweight
Absolute Return Strategies (inc. Cash)	5.00%	5.13%	0.13%	Overweight
High Yield Bonds	5.00%	5.50%	0.50%	Overweight
Commodities	5.00%	5.50%	0.50%	Overweight

Latest tactical positions as at 15.05.2025

Portfolio performance against benchmark

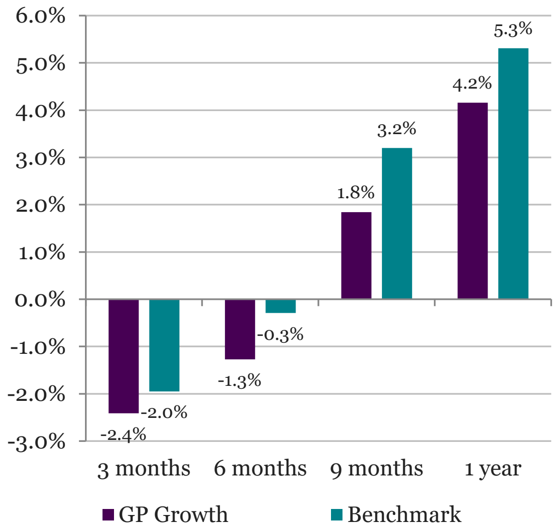
The past 5 years:



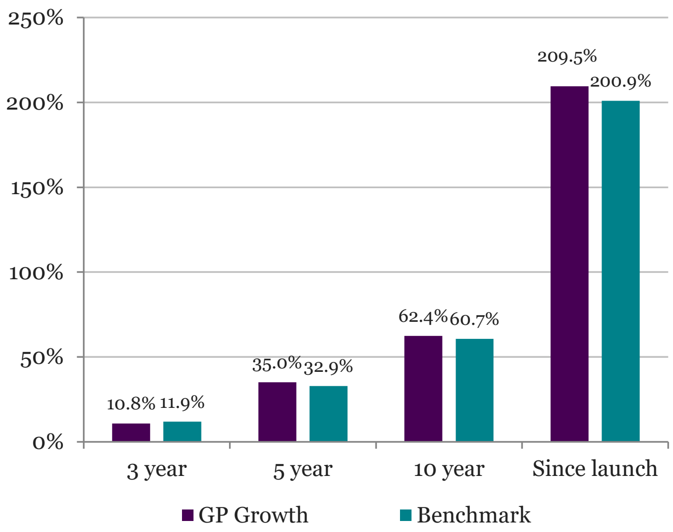
Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio performance against benchmark continued

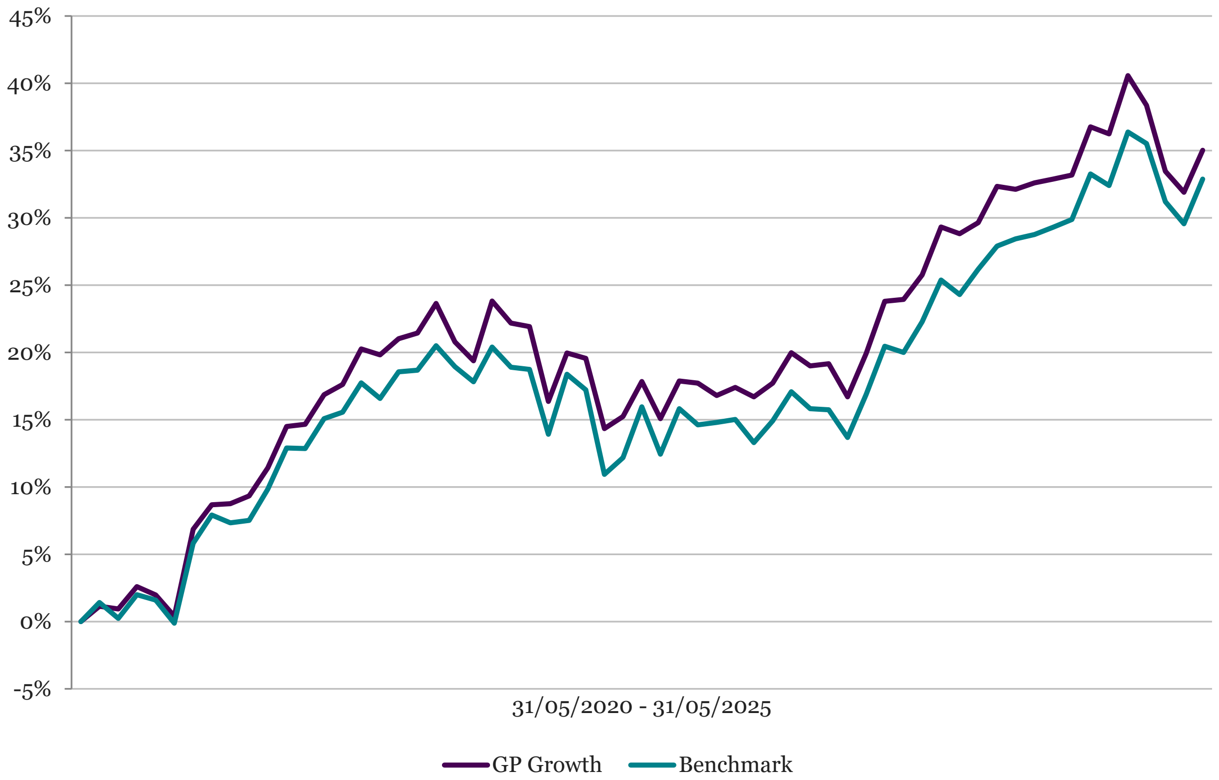
Shorter term:



Longer term:



5 year percentage growth



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Portfolio management

The portfolio is managed by the multi asset team at Royal London's 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 to help them maintain a suitable mix of assets and funds, based on current market conditions.

"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

Governed Portfolio Growth is 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 Royal London's investment options.

Last three tactical changes:

15 May 2025

Royal London have tactically increased equity exposures while remaining broadly neutral as investor sentiment continues to recover from the third most depressed level in history, following a series of trade war de-escalations since the shock tariff announcement on Liberation Day. While a sentiment recovery could carry on in the near term, Royal London remain cautious over the medium term given elevated macro uncertainty. Royal London have also reduced the allocation to bonds marginally.

24 April 2025

Royal London have reduced their equity exposure, moving to a slight underweight position as macro conditions continue to deteriorate. Equity market moves have been extreme and high levels of uncertainty remain. While it can pay to buy when others are fearful, things can get worse before they get better. Royal London also remain underweight global high yield bonds and overweight short duration global high yield bonds, noting that recession risk remains elevated. Elsewhere, Royal London have added to their exposure in commodities at the margin, which have recovered over recent weeks led by gold.

10 April 2025

Royal London have further reduced their allocation to equities. Sentiment is very depressed and equity markets have fallen sharply amid recent volatility. Historically, it has paid to buy when others are fearful but a sustained turnaround usually hinges on a positive policy change. Things can get worse before they get better. With equity weakness and the risk of recession seemingly part of Trump's strategy to put pressure on trading partners Royal London think volatility is likely to remain high. Elsewhere Royal London have reduced their allocation to commodities and increased their allocation to bonds, moving closer to neutral positions on these asset classes.

All data to 31.05.2025

A closer look at
Governed Portfolio Moderate

Investment objective

This portfolio aims to deliver above inflation growth, whilst taking a medium level of investment risk relative to the other portfolios in the Governed Portfolio range. Investment risk is a measure of the expected volatility. On a scale rating the investment risk of Governed Portfolios from 1 to 7, with 1 being the lowest, this portfolio is a 3.

The portfolio invests in a range of asset classes, that can include, but is not limited to equities, fixed interest, cash, property, and commodities.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	12.01.2009
Fund size (£m)	3985.7
Fund management charge (FMC)	1.00%
Royal London risk rating	3
Latest tactical change	15.05.2025

Ongoing Governance

This portfolio comes with ongoing governance. This simply means that Royal London investment experts check it regularly. It allows them 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 their 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.

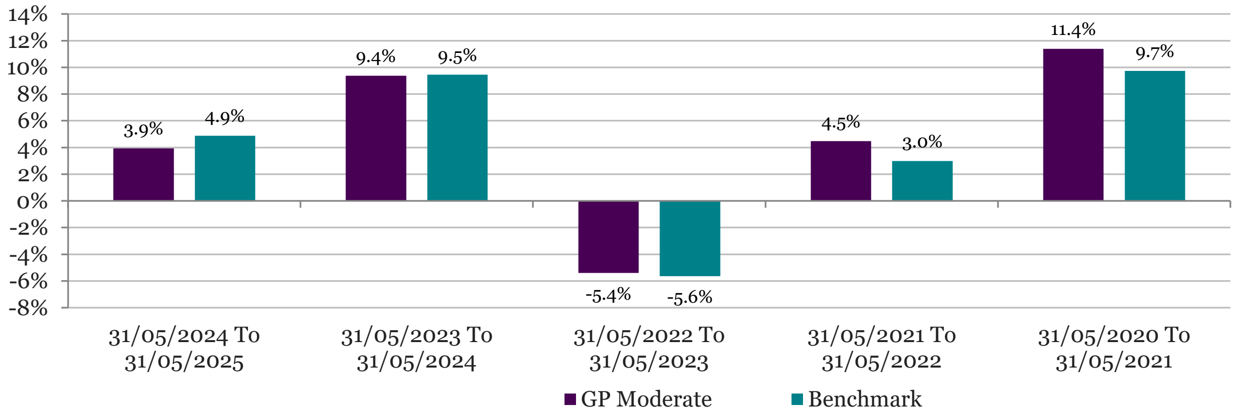
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	43.75%	44.25%	0.50%	Overweight
Government Bonds	10.00%	8.45%	-1.55%	Underweight
Corporate Bonds	15.00%	15.40%	0.40%	Overweight
Index Linked Bonds	5.00%	4.65%	-0.35%	Underweight
Property	8.75%	8.55%	-0.20%	Underweight
Absolute Return Strategies (inc. Cash)	7.50%	7.60%	0.10%	Overweight
High Yield Bonds	5.00%	5.60%	0.60%	Overweight
Commodities	5.00%	5.50%	0.50%	Overweight

Latest tactical positions as at 15.05.2025

Portfolio performance against benchmark

The past 5 years:



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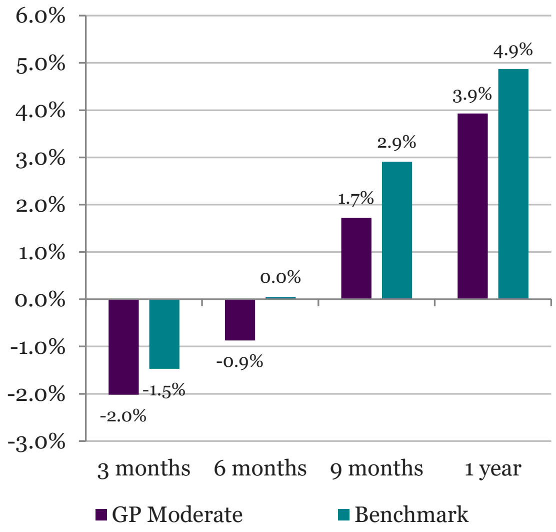
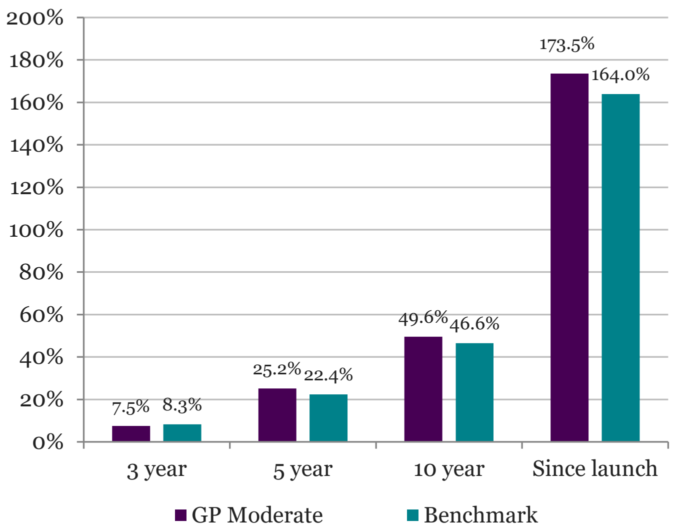
Portfolio performance against benchmark continued

Shorter term:



Longer term:



5 year percentage growth

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Portfolio management

The portfolio is managed by the multi asset team at Royal London's 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 to help them maintain a suitable mix of assets and funds, based on current market conditions.

“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

Governed Portfolio Moderate is 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 Royal London's investment options.

Last three tactical changes:

15 May 2025

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All data to 31.05.2025

A closer look at **Governed Portfolio Defensive**

Investment objective

This portfolio aims to deliver above inflation growth, whilst taking a low level of investment risk relative to the other portfolios in the Governed Portfolio range. Investment risk is a measure of the expected volatility. On a scale rating the investment risk of Governed Portfolios from 1 to 7, with 1 being the lowest, this portfolio is a 1.

The portfolio invests in a range of asset classes, that can include, but is not limited to equities, fixed interest, cash, property, and commodities.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	12.01.2009
Fund size (£m)	1793.9
Fund management charge (FMC)	1.00%
Royal London risk rating	1
Latest tactical change	15.05.2025

Ongoing Governance

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If their 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.

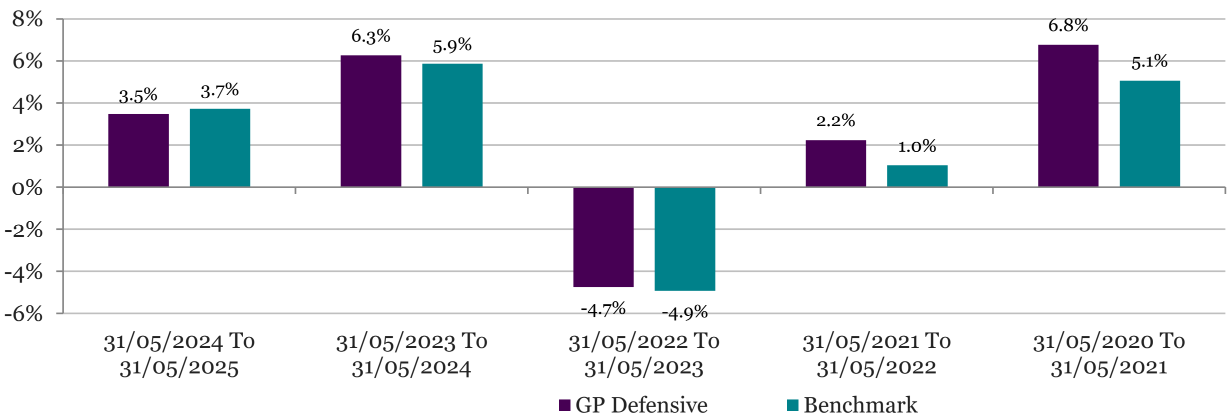
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	12.50%	13.00%	0.50%	Overweight
Government Bonds	22.50%	20.95%	-1.55%	Underweight
Corporate Bonds	25.00%	25.40%	0.40%	Overweight
Index Linked Bonds	10.00%	9.65%	-0.35%	Underweight
Property	5.00%	4.80%	-0.20%	Underweight
Absolute Return Strategies (inc. Cash)	12.50%	12.60%	0.10%	Overweight
High Yield Bonds	7.50%	8.10%	0.60%	Overweight
Commodities	5.00%	5.50%	0.50%	Overweight

Latest tactical positions as at 15.05.2025

Portfolio performance against benchmark

The past 5 years:



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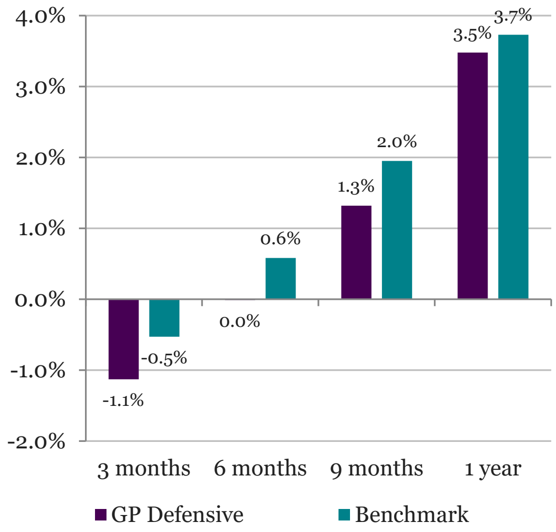
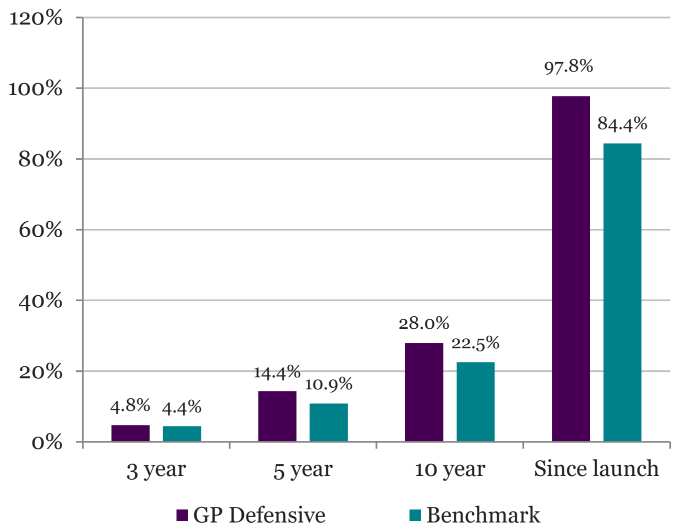
Portfolio performance against benchmark continued

Shorter term:



Longer term:



5 year percentage growth

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Portfolio management

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"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

Governed Portfolio Defensive is 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 Royal London's investment options.

Last three tactical changes:

15 May 2025

Royal London have tactically increased equity exposures while remaining broadly neutral as investor sentiment continues to recover from the third most depressed level in history, following a series of trade war de-escalations since the shock tariff announcement on Liberation Day. While a sentiment recovery could carry on in the near term, Royal London remain cautious over the medium term given elevated macro uncertainty. Royal London have also reduced the allocation to bonds marginally.

24 April 2025

Royal London have reduced their equity exposure, moving to a slight underweight position as macro conditions continue to deteriorate. Equity market moves have been extreme and high levels of uncertainty remain. While it can pay to buy when others are fearful, things can get worse before they get better. Royal London also remain underweight global high yield bonds and overweight short duration global high yield bonds, noting that recession risk remains elevated. Elsewhere, Royal London have added to their exposure in commodities at the margin, which have recovered over recent weeks led by gold.

10 April 2025

Royal London have further reduced their allocation to equities. Sentiment is very depressed and equity markets have fallen sharply amid recent volatility. Historically, it has paid to buy when others are fearful but a sustained turnaround usually hinges on a positive policy change. Things can get worse before they get better. With equity weakness and the risk of recession seemingly part of Trump's strategy to put pressure on trading partners Royal London think volatility is likely to remain high. Elsewhere Royal London have reduced their allocation to commodities and increased their allocation to bonds, moving closer to neutral positions on these asset classes.

All data to 31.05.2025

A closer look at
Governed Portfolio Enhanced

Investment objective

This portfolio aims to deliver above inflation growth, whilst taking a medium to high level of investment risk relative to the other portfolios in the Governed Portfolio range. Investment risk is a measure of the expected volatility. On a scale rating the investment risk of Governed Portfolios from 1 to 7, with 1 being the lowest, this portfolio is a 5.

The portfolio invests in a range of asset classes, that can include, but is not limited to equities, fixed interest, cash, property, and commodities.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	12.01.2009
Fund size (£m)	11022.9
Fund management charge (FMC)	1.00%
Royal London risk rating	5
Latest tactical change	15.05.2025

Ongoing Governance

This portfolio comes with ongoing governance. This simply means that Royal London investment experts check it regularly. It allows them 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 their 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.

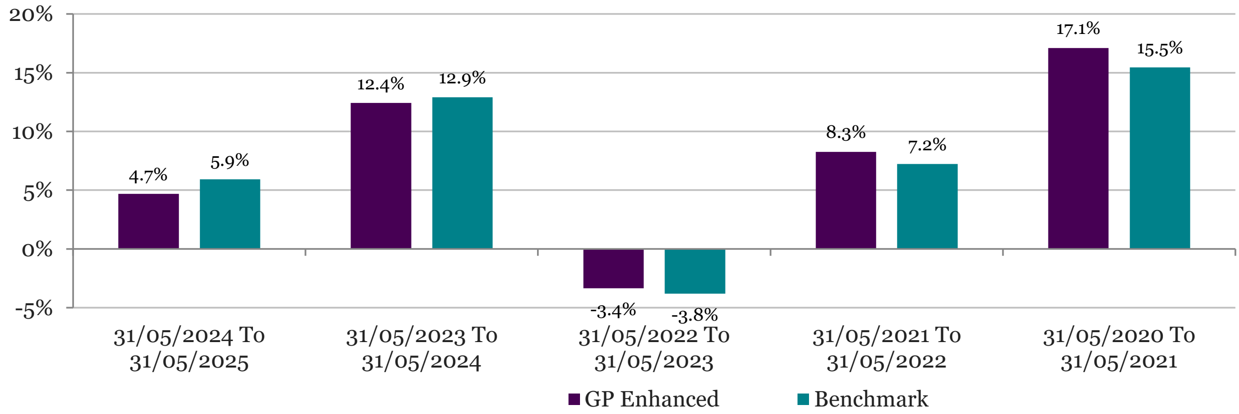
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	71.25%	71.63%	0.38%	Overweight
Government Bonds	2.00%	1.04%	-0.96%	Underweight
Corporate Bonds	2.00%	2.10%	0.10%	Overweight
Index Linked Bonds	1.00%	0.55%	-0.45%	Underweight
Property	11.25%	11.05%	-0.20%	Underweight
Absolute Return Strategies (inc. Cash)	5.00%	5.33%	0.33%	Overweight
High Yield Bonds	2.50%	2.80%	0.30%	Overweight
Commodities	5.00%	5.50%	0.50%	Overweight

Latest tactical positions as at 15.05.2025

Portfolio performance against benchmark

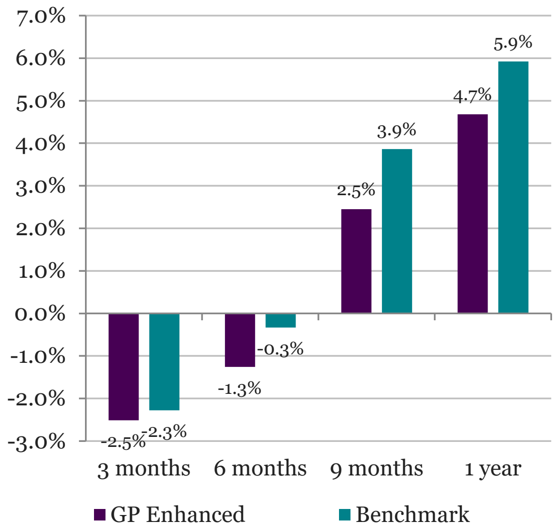
The past 5 years:



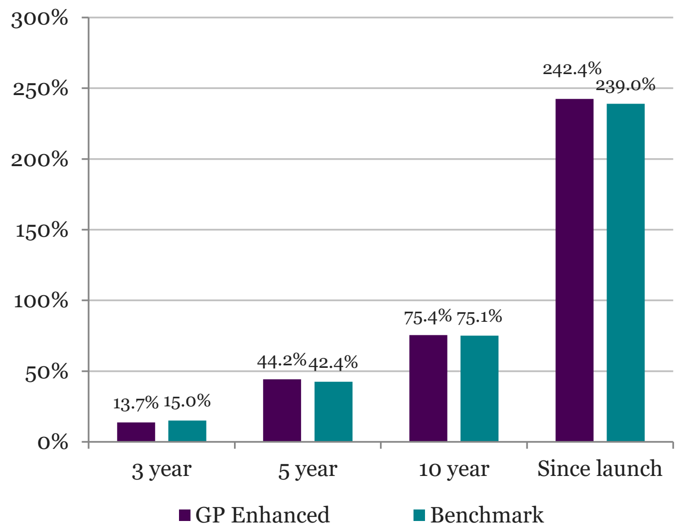
Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio performance against benchmark continued

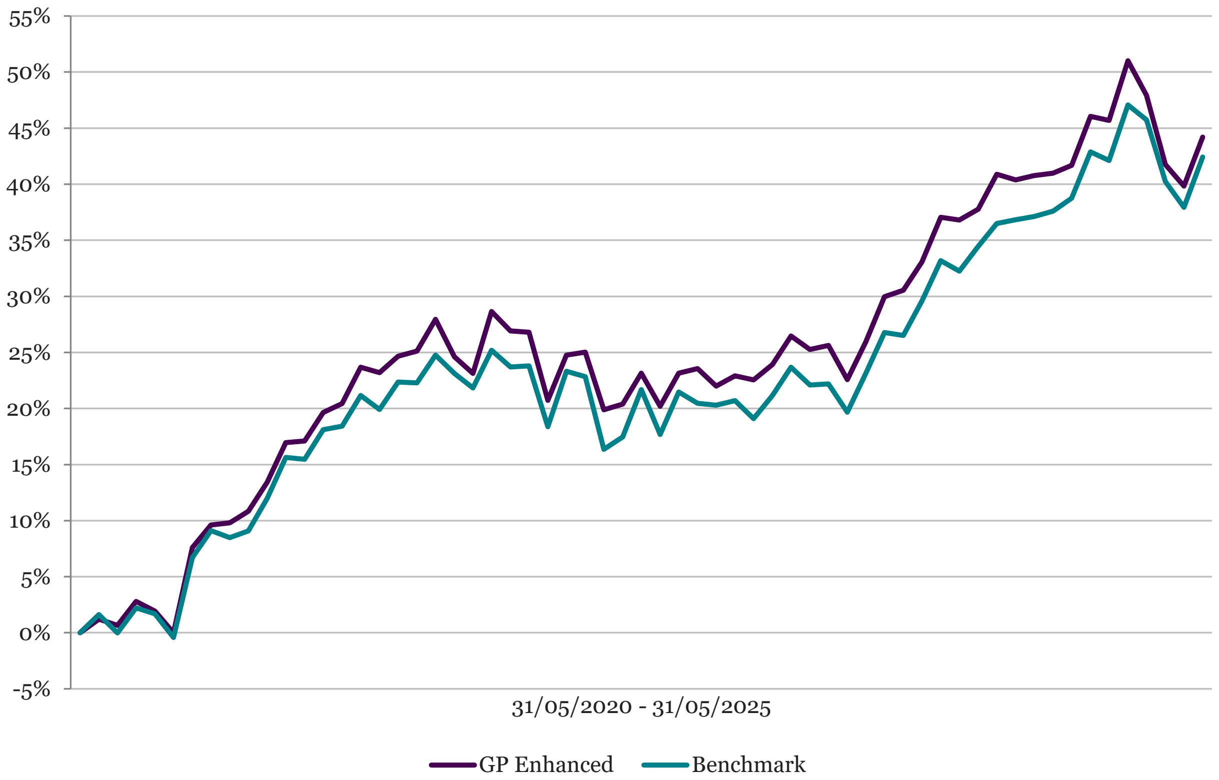
Shorter term:



Longer term:



5 year percentage growth



Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund 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 value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio management

The portfolio is managed by the multi asset team at Royal London's 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 to help them maintain a suitable mix of assets and funds, based on current market conditions.

"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

Governed Portfolio Enhanced is 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 Royal London's investment options.

Last three tactical changes:

15 May 2025

Royal London have tactically increased equity exposures while remaining broadly neutral as investor sentiment continues to recover from the third most depressed level in history, following a series of trade war de-escalations since the shock tariff announcement on Liberation Day. While a sentiment recovery could carry on in the near term, Royal London remain cautious over the medium term given elevated macro uncertainty. Royal London have also reduced the allocation to bonds marginally.

24 April 2025

Royal London have reduced their equity exposure, moving to a slight underweight position as macro conditions continue to deteriorate. Equity market moves have been extreme and high levels of uncertainty remain. While it can pay to buy when others are fearful, things can get worse before they get better. Royal London also remain underweight global high yield bonds and overweight short duration global high yield bonds, noting that recession risk remains elevated. Elsewhere, Royal London have added to their exposure in commodities at the margin, which have recovered over recent weeks led by gold.

10 April 2025

Royal London have further reduced their allocation to equities. Sentiment is very depressed and equity markets have fallen sharply amid recent volatility. Historically, it has paid to buy when others are fearful but a sustained turnaround usually hinges on a positive policy change. Things can get worse before they get better. With equity weakness and the risk of recession seemingly part of Trump’s strategy to put pressure on trading partners Royal London think volatility is likely to remain high. Elsewhere Royal London have reduced their allocation to commodities and increased their allocation to bonds, moving closer to neutral positions on these asset classes.

All data to 31.05.2025

A closer look at
Governed Portfolio Conservative

Investment objective

This portfolio aims to deliver above inflation growth, whilst taking a low to medium level of investment risk relative to the other portfolios in the Governed Portfolio range. Investment risk is a measure of the expected volatility. On a scale rating the investment risk of Governed Portfolios from 1 to 7, with 1 being the lowest, this portfolio is a 2.

The portfolio invests in a range of asset classes, that can include, but is not limited to equities, fixed interest, cash, property, and commodities.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	12.01.2009
Fund size (£m)	3927
Fund management charge (FMC)	1.00%
Royal London risk rating	2
Latest tactical change	15.05.2025

Ongoing Governance

This portfolio comes with ongoing governance. This simply means that Royal London investment experts check it regularly. It allows them 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 their 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.

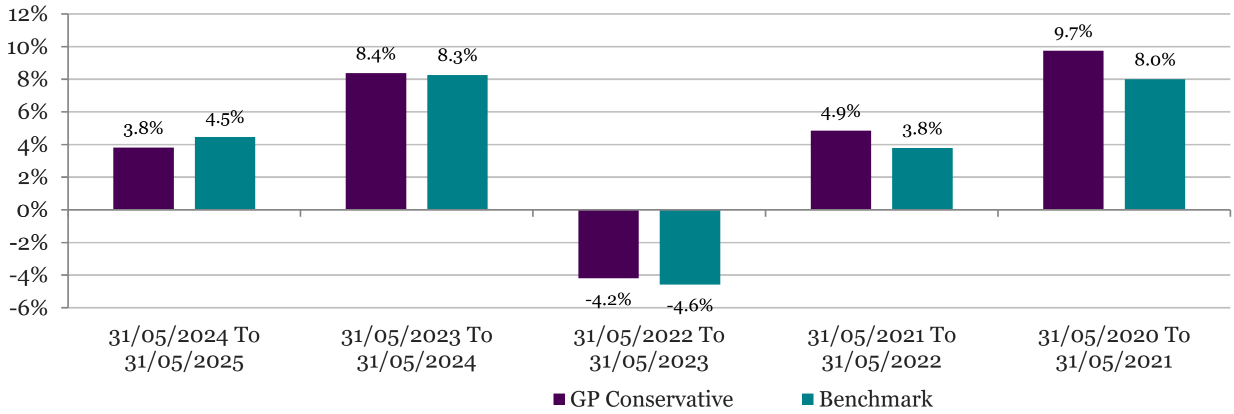
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	32.50%	33.00%	0.50%	Overweight
Government Bonds	13.75%	12.20%	-1.55%	Underweight
Corporate Bonds	18.75%	19.15%	0.40%	Overweight
Index Linked Bonds	7.50%	7.15%	-0.35%	Underweight
Property	7.50%	7.30%	-0.20%	Underweight
Absolute Return Strategies (inc. Cash)	10.00%	10.10%	0.10%	Overweight
High Yield Bonds	5.00%	5.60%	0.60%	Overweight
Commodities	5.00%	5.50%	0.50%	Overweight

Latest tactical positions as at 15.05.2025

Portfolio performance against benchmark

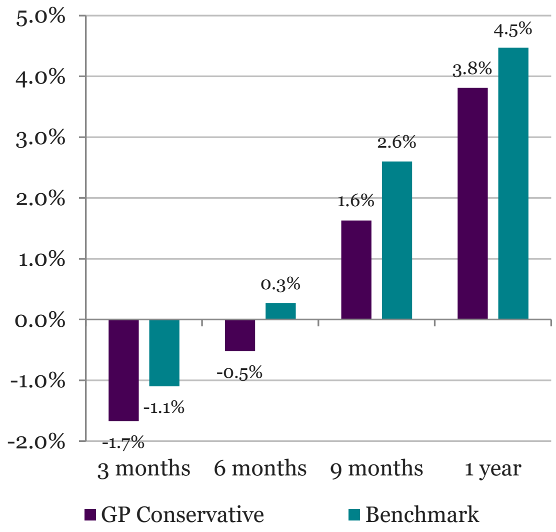
The past 5 years:



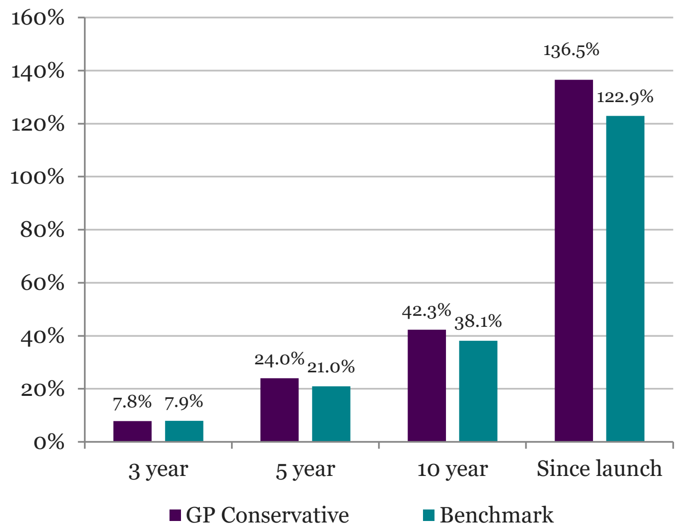
Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio performance against benchmark continued

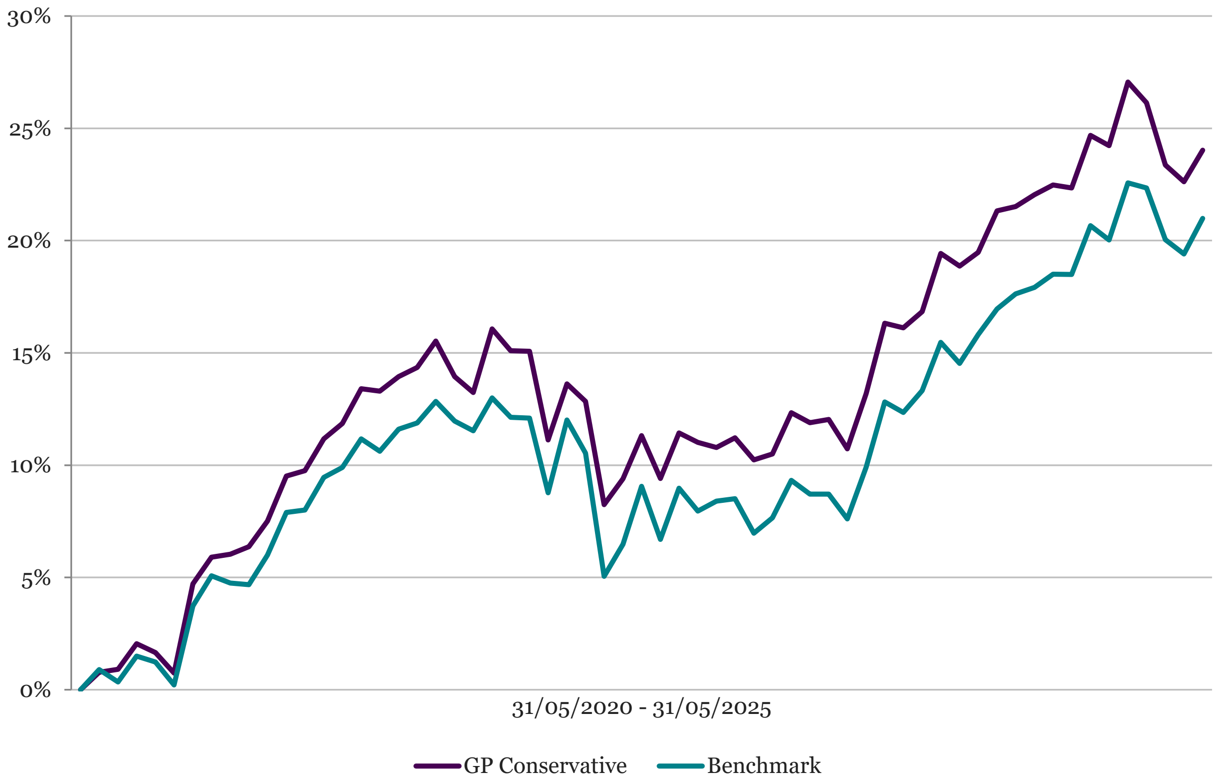
Shorter term:



Longer term:



5 year percentage growth



Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund 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 value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio management

The portfolio is managed by the multi asset team at Royal London's 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 to help them maintain a suitable mix of assets and funds, based on current market conditions.

“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

Governed Portfolio Conservative is 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 Royal London's investment options.

Last three tactical changes:

15 May 2025

Royal London have tactically increased equity exposures while remaining broadly neutral as investor sentiment continues to recover from the third most depressed level in history, following a series of trade war de-escalations since the shock tariff announcement on Liberation Day. While a sentiment recovery could carry on in the near term, Royal London remain cautious over the medium term given elevated macro uncertainty. Royal London have also reduced the allocation to bonds marginally.

24 April 2025

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10 April 2025

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All data to 31.05.2025

A closer look at
Governed Portfolio Dynamic

Investment objective

This portfolio aims to deliver above inflation growth, whilst taking a high level of investment risk relative to the other portfolios in the Governed Portfolio range. Investment risk is a measure of the expected volatility. On a scale rating the investment risk of Governed Portfolios from 1 to 7, with 1 being the lowest, this portfolio is a 6.

The portfolio invests in a range of asset classes, that can include, but is not limited to equities, fixed interest, cash, property, and commodities.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	12.01.2009
Fund size (£m)	4361
Fund management charge (FMC)	1.00%
Royal London risk rating	6
Latest tactical change	15.05.2025

Ongoing Governance

This portfolio comes with ongoing governance. This simply means that Royal London investment experts check it regularly. It allows them 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 their 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.

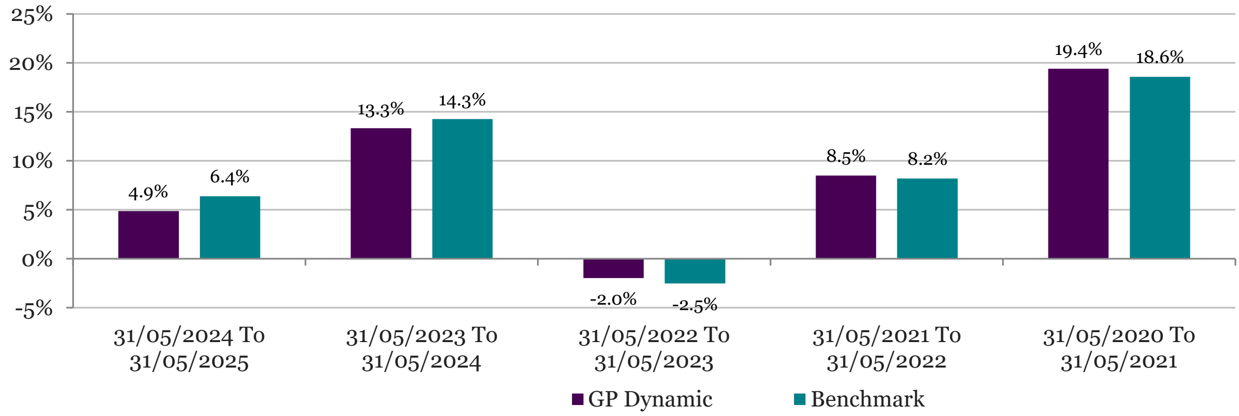
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	80.00%	80.00%	0.00%	Neutral
Government Bonds	0.00%	0.00%	0.00%	Neutral
Corporate Bonds	0.00%	0.00%	0.00%	Neutral
Index Linked Bonds	0.00%	0.00%	0.00%	Neutral
Property	12.50%	11.95%	-0.55%	Underweight
Absolute Return Strategies (inc. Cash)	0.00%	0.55%	0.55%	Overweight
High Yield Bonds	2.50%	2.10%	-0.40%	Underweight
Commodities	5.00%	5.40%	0.40%	Overweight

Latest tactical positions as at 15.05.2025

Portfolio performance against benchmark

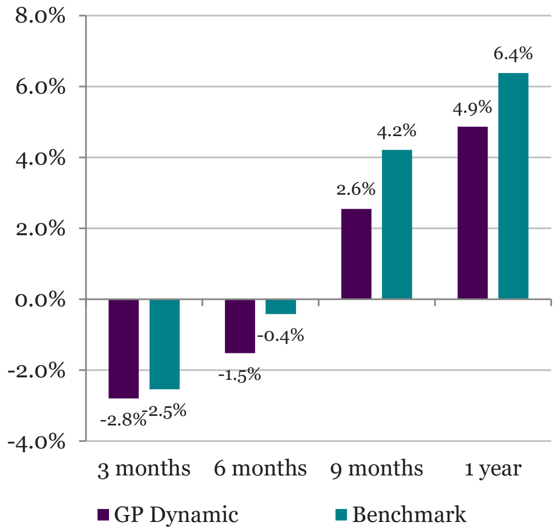
The past 5 years:



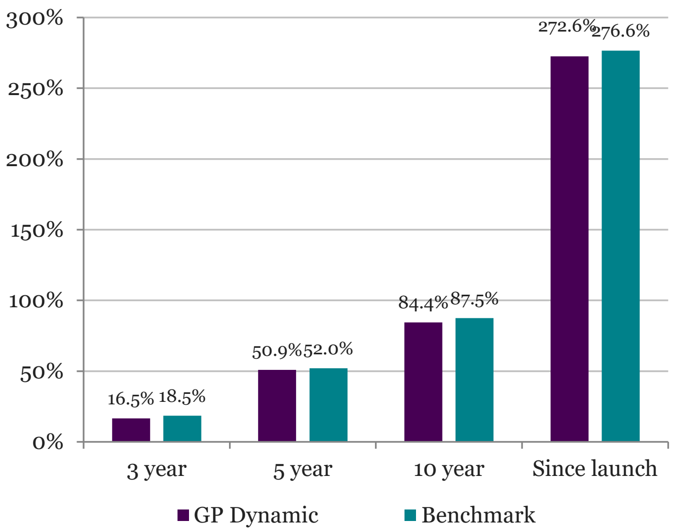
Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio performance against benchmark continued

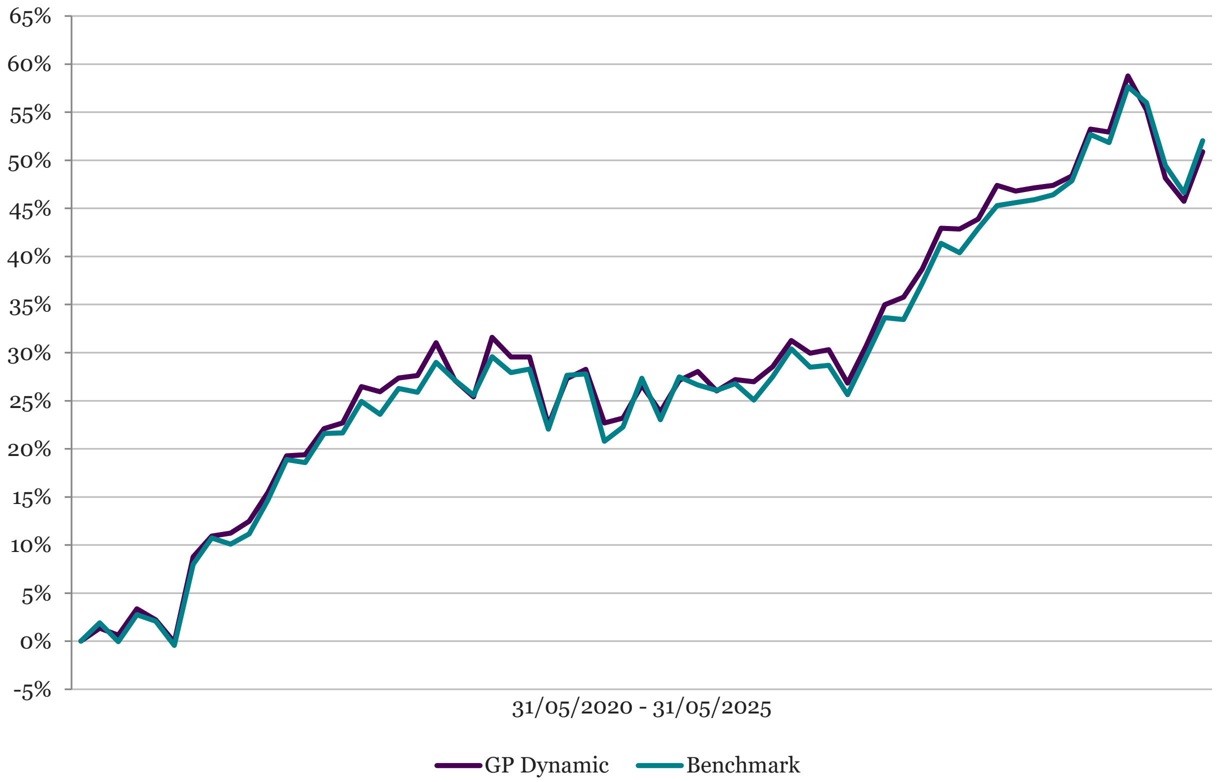
Shorter term:



Longer term:



5 year percentage growth



Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund 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 value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio management

The portfolio is managed by the multi asset team at Royal London's 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 to help them maintain a suitable mix of assets and funds, based on current market conditions.

"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

Governed Portfolio Dynamic is 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 Royal London's investment options.

Last three tactical changes:

15 May 2025

Royal London have tactically increased equity exposures while remaining broadly neutral as investor sentiment continues to recover from the third most depressed level in history, following a series of trade war de-escalations since the shock tariff announcement on Liberation Day. While a sentiment recovery could carry on in the near term, Royal London remain cautious over the medium term given elevated macro uncertainty.

24 April 2025

Royal London have reduced their equity exposure, moving to a slight underweight position as macro conditions continue to deteriorate. Equity market moves have been extreme and high levels of uncertainty remain. While it can pay to buy when others are fearful, things can get worse before they get better. Elsewhere, Royal London have added to their exposure in commodities at the margin, which have recovered over recent weeks led by gold.

10 April 2025

Royal London have further reduced their allocation to equities. Sentiment is very depressed and equity markets have fallen sharply amid recent volatility. Historically, it has paid to buy when others are fearful but a sustained turnaround usually hinges on a positive policy change. Things can get worse before they get better. With equity weakness and the risk of recession seemingly part of Trump’s strategy to put pressure on trading partners Royal London think volatility is likely to remain high. Elsewhere Royal London have reduced their allocation to commodities, moving closer to a neutral position.

All data to 31.05.2025

A closer look at
Governed Portfolio Total Equity

Investment objective

This portfolio aims to deliver above inflation growth, whilst taking a high level of investment risk relative to the other portfolios in the Governed Portfolio range. Investment risk is a measure of the expected volatility. On a scale rating the investment risk of Governed Portfolios from 1 to 7, with 1 being the lowest, this portfolio is a 7.

The portfolio invests in a range of asset classes, that can include, but is not limited to equities.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	13.11.2024
Fund size (£m)	41.7
Fund management charge (FMC)	1.00%
Royal London risk rating	7

Ongoing Governance

This portfolio comes with ongoing governance. This simply means that Royal London investment experts check it regularly. It allows them 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 their 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.

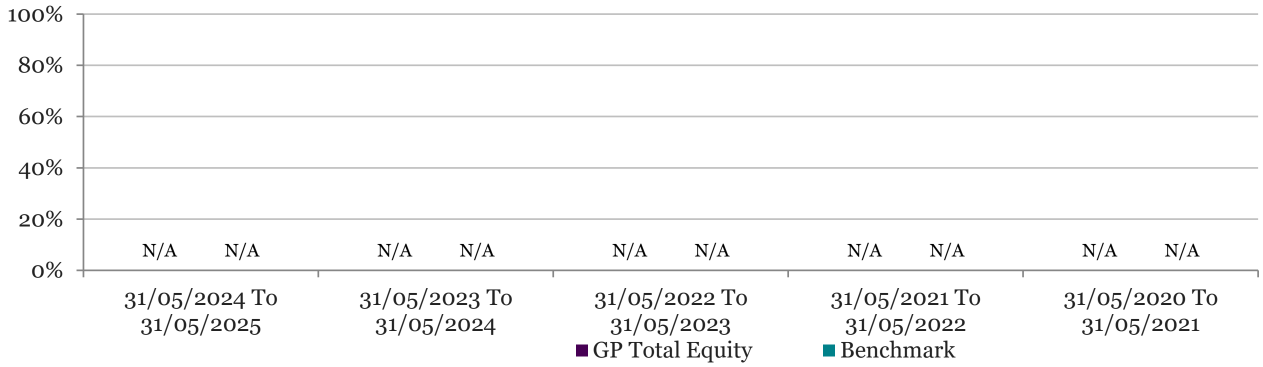
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	100.00%	100.00%	0.00%	Neutral
Government Bonds	0.00%	0.00%	0.00%	Neutral
Corporate Bonds	0.00%	0.00%	0.00%	Neutral
Index Linked Bonds	0.00%	0.00%	0.00%	Neutral
Property	0.00%	0.00%	0.00%	Neutral
Absolute Return Strategies (inc. Cash)	0.00%	0.00%	0.00%	Neutral
High Yield Bonds	0.00%	0.00%	0.00%	Neutral
Commodities	0.00%	0.00%	0.00%	Neutral

Latest tactical positions as at

Portfolio performance against benchmark

No Performance data available until after one year



Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund 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 value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio management

The portfolio is managed by the multi asset team at Royal London's 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 to help them maintain a suitable mix of assets and funds, based on current market conditions.

"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

Governed Portfolio Total Equity is 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 Royal London's investment options.

Last tactical change:

15 May 2025
The portfolio is fully invested in equities. Markets moves have been extreme and high levels of uncertainty remain.

24 April 2025
The portfolio is fully invested in equities. Markets moves have been extreme and high levels of uncertainty remain.

10 April 2025
The portfolio is fully invested in equities. Markets have continued to experience steep losses over recent weeks following developments on global trade tariffs.

All data to 31.05.2025

A closer look at **Governed Retirement Income Portfolio 1**

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 1 risk attitude.

The portfolio invests in a range of asset classes, that can include, but is not limited to equities, fixed interest, cash, property, and commodities.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	28.08.2012
Fund size (£m)	175.2
Fund management charge (FMC)	1.00%
Royal London risk rating	1
Latest tactical change	15.05.2025

Ongoing Governance

This portfolio comes with ongoing governance. This simply means that Royal London investment experts check it regularly. It allows them 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 their 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.

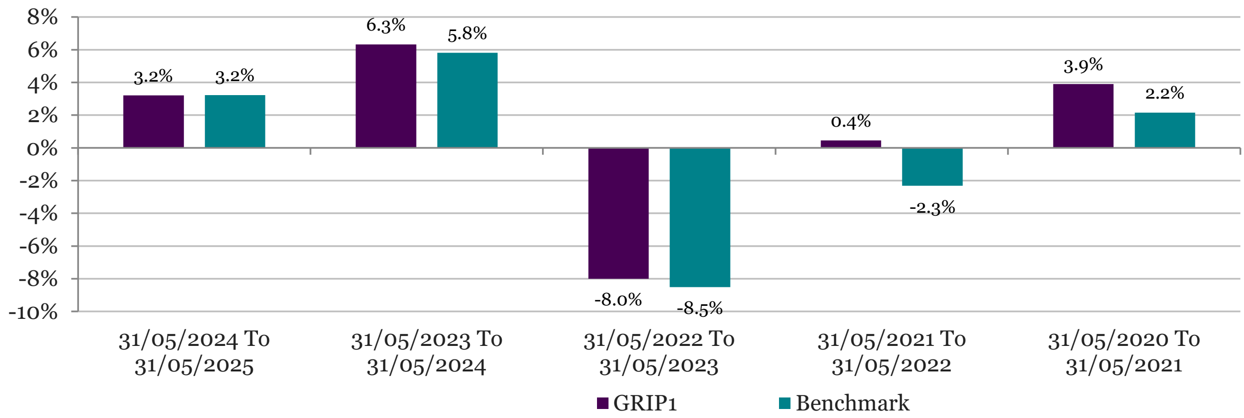
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	12.50%	13.00%	0.50%	Overweight
Government Bonds	25.00%	23.45%	-1.55%	Underweight
Corporate Bonds	22.50%	22.90%	0.40%	Overweight
Index Linked Bonds	10.00%	9.65%	-0.35%	Underweight
Property	5.00%	4.80%	-0.20%	Underweight
Absolute Return Strategies (inc. Cash)	10.00%	10.10%	0.10%	Overweight
High Yield Bonds	10.00%	10.60%	0.60%	Overweight
Commodities	5.00%	5.50%	0.50%	Overweight

Latest tactical positions as at 15.05.2025

Portfolio performance against benchmark

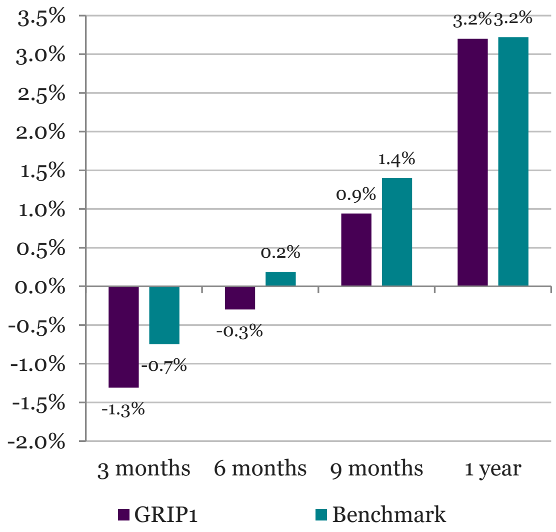
The past 5 years:



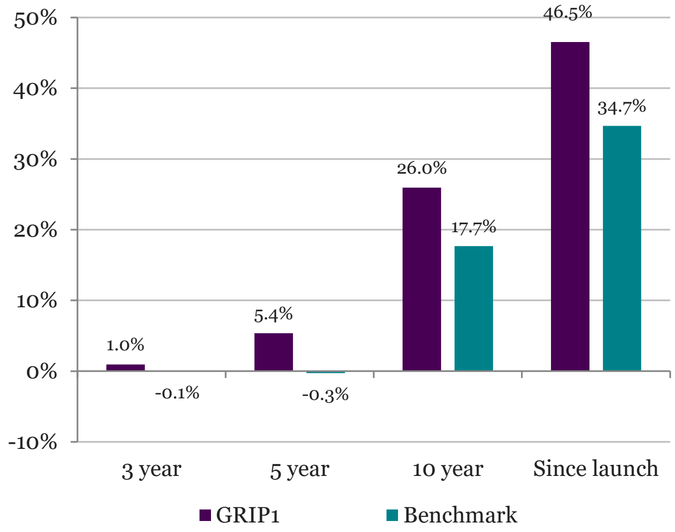
Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio performance against benchmark continued

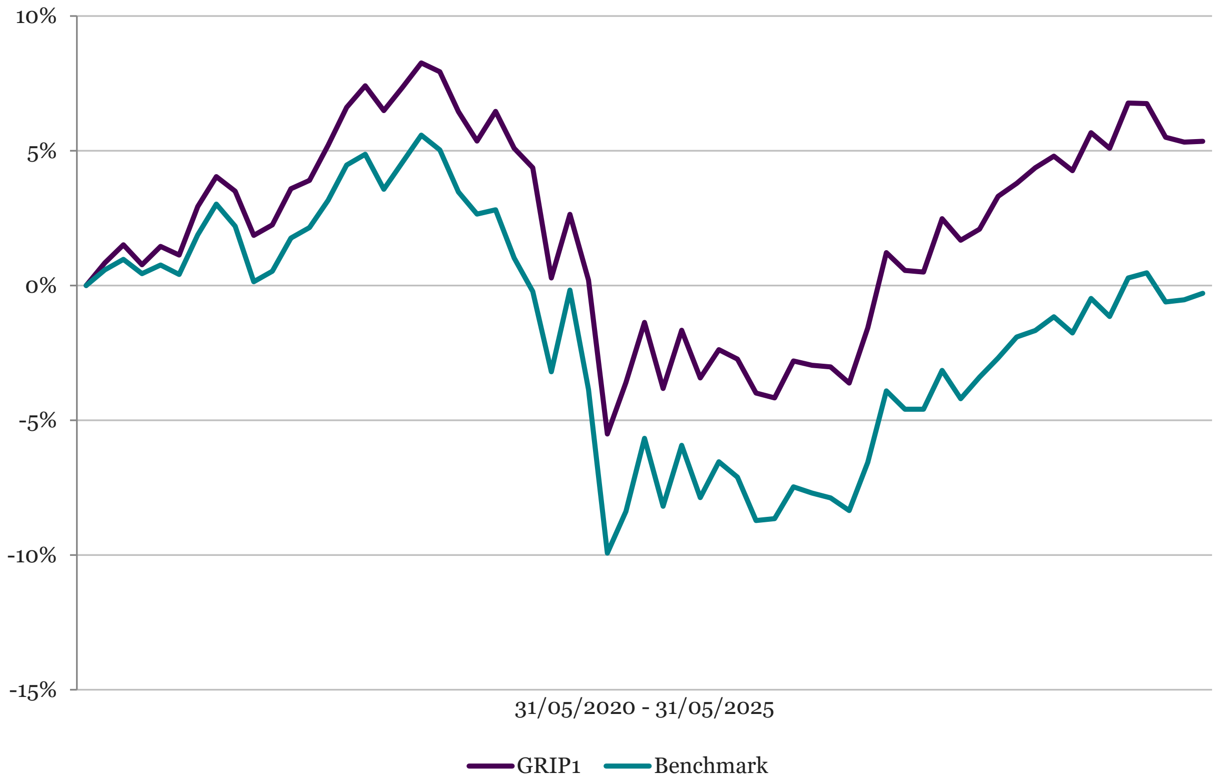
Shorter term:



Longer term:



5 year percentage growth



Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund 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 value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio management

The portfolio is managed by the multi asset team at Royal London's 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 to help them maintain a suitable mix of assets and funds, based on current market conditions.

"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

Governed Retirement Income Portfolio 1 is 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 Royal London's investment options.

Last three tactical changes:

15 May 2025

Royal London have tactically increased equity exposures while remaining broadly neutral as investor sentiment continues to recover from the third most depressed level in history, following a series of trade war de-escalations since the shock tariff announcement on Liberation Day. While a sentiment recovery could carry on in the near term, Royal London remain cautious over the medium term given elevated macro uncertainty. Royal London have also reduced the allocation to bonds marginally.

24 April 2025

Royal London have reduced their equity exposure, moving to a slight underweight position as macro conditions continue to deteriorate. Equity market moves have been extreme and high levels of uncertainty remain. While it can pay to buy when others are fearful, things can get worse before they get better. Royal London also remain underweight global high yield bonds and overweight short duration global high yield bonds, noting that recession risk remains elevated. Elsewhere, Royal London have added to their exposure in commodities at the margin, which have recovered over recent weeks led by gold.

10 April 2025

Royal London have further reduced their allocation to equities. Sentiment is very depressed and equity markets have fallen sharply amid recent volatility. Historically, it has paid to buy when others are fearful but a sustained turnaround usually hinges on a positive policy change. Things can get worse before they get better. With equity weakness and the risk of recession seemingly part of Trump's strategy to put pressure on trading partners Royal London think volatility is likely to remain high. Elsewhere Royal London have reduced their allocation to commodities and increased their allocation to bonds, moving closer to neutral positions on these asset classes.

All data to 31.05.2025

A closer look at
Governed Retirement Income Portfolio 2

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.

The portfolio invests in a range of asset classes, that can include, but is not limited to equities, fixed interest, cash, property, and commodities.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	28.08.2012
Fund size (£m)	608.2
Fund management charge (FMC)	1.00%
Royal London risk rating	2
Latest tactical change	15.05.2025

Ongoing Governance

This portfolio comes with ongoing governance. This simply means that Royal London investment experts check it regularly. It allows them 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 their 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.

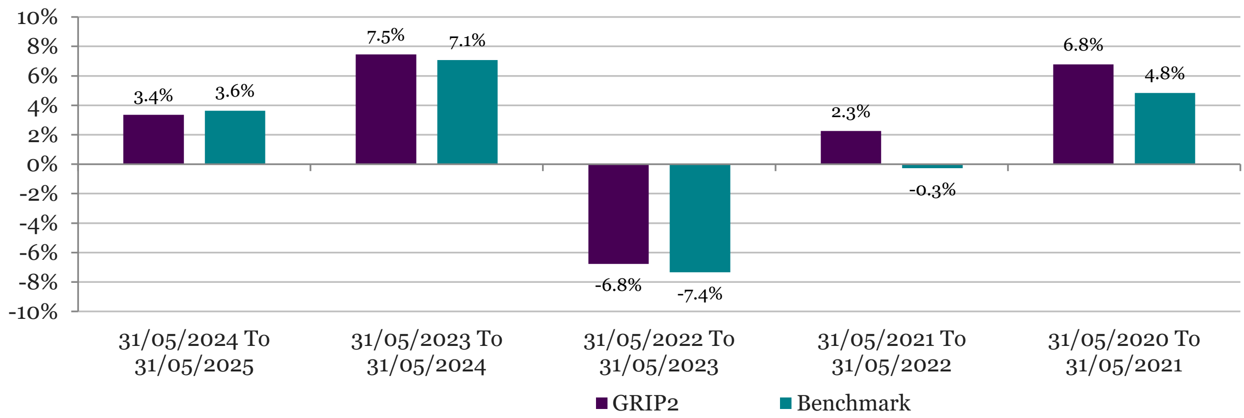
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	23.75%	24.25%	0.50%	Overweight
Government Bonds	16.50%	14.95%	-1.55%	Underweight
Corporate Bonds	21.00%	21.40%	0.40%	Overweight
Index Linked Bonds	7.50%	7.15%	-0.35%	Underweight
Property	6.25%	6.05%	-0.20%	Underweight
Absolute Return Strategies (inc. Cash)	10.00%	10.10%	0.10%	Overweight
High Yield Bonds	10.00%	10.60%	0.60%	Overweight
Commodities	5.00%	5.50%	0.50%	Overweight

Latest tactical positions as at 15.05.2025

Portfolio performance against benchmark

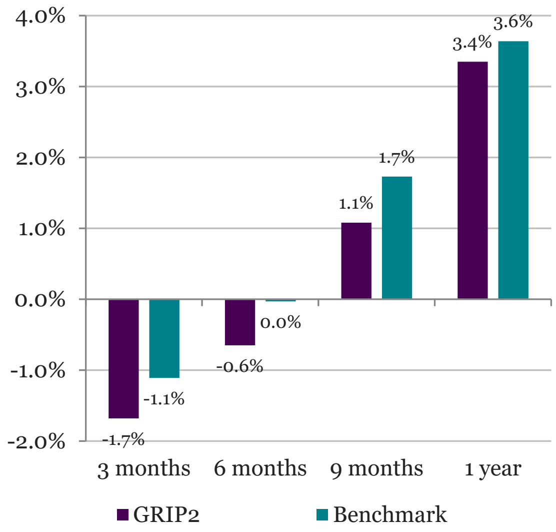
The past 5 years:



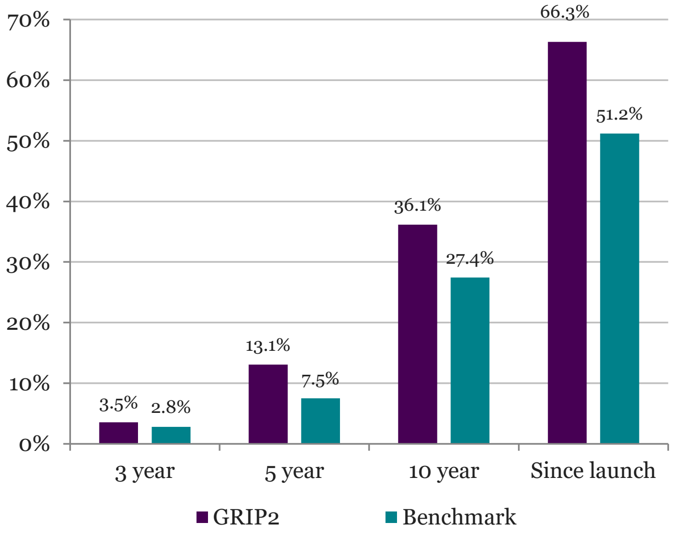
Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio performance against benchmark continued

Shorter term:



Longer term:



5 year percentage growth

Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund 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 value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio management

The portfolio is managed by the multi asset team at Royal London's 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 to help them maintain a suitable mix of assets and funds, based on current market conditions.

"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

Governed Retirement Income Portfolio 2 is 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 Royal London's investment options.

Last three tactical changes:

15 May 2025

Royal London have tactically increased equity exposures while remaining broadly neutral as investor sentiment continues to recover from the third most depressed level in history, following a series of trade war de-escalations since the shock tariff announcement on Liberation Day. While a sentiment recovery could carry on in the near term, Royal London remain cautious over the medium term given elevated macro uncertainty. Royal London have also reduced the allocation to bonds marginally.

24 April 2025

Royal London have reduced their equity exposure, moving to a slight underweight position as macro conditions continue to deteriorate. Equity market moves have been extreme and high levels of uncertainty remain. While it can pay to buy when others are fearful, things can get worse before they get better. Royal London also remain underweight global high yield bonds and overweight short duration global high yield bonds, noting that recession risk remains elevated. Elsewhere, Royal London have added to their exposure in commodities at the margin, which have recovered over recent weeks led by gold.

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All data to 31.05.2025

A closer look at **Governed Retirement Income Portfolio 3**

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 3 risk attitude.

The portfolio invests in a range of asset classes, that can include, but is not limited to equities, fixed interest, cash, property, and commodities.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	28.08.2012
Fund size (£m)	2398
Fund management charge (FMC)	1.00%
Royal London risk rating	3
Latest tactical change	15.05.2025

Ongoing Governance

This portfolio comes with ongoing governance. This simply means that Royal London investment experts check it regularly. It allows them 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 their 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.

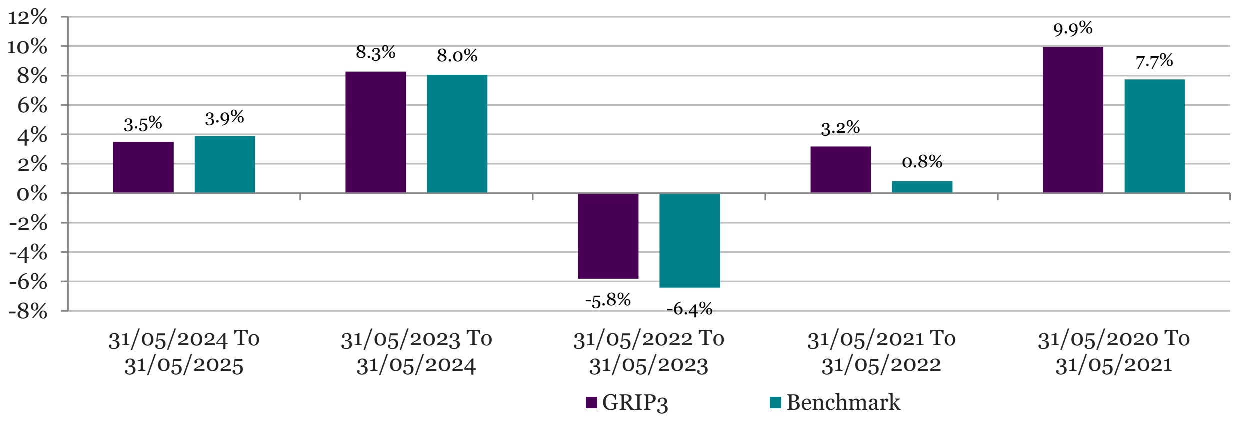
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	30.00%	30.50%	0.50%	Overweight
Government Bonds	13.75%	12.20%	-1.55%	Underweight
Corporate Bonds	16.25%	16.65%	0.40%	Overweight
Index Linked Bonds	7.50%	7.15%	-0.35%	Underweight
Property	7.50%	7.30%	-0.20%	Underweight
Absolute Return Strategies (inc. Cash)	10.00%	10.10%	0.10%	Overweight
High Yield Bonds	10.00%	10.60%	0.60%	Overweight
Commodities	5.00%	5.50%	0.50%	Overweight

Latest tactical positions as at 15.05.2025

Portfolio performance against benchmark

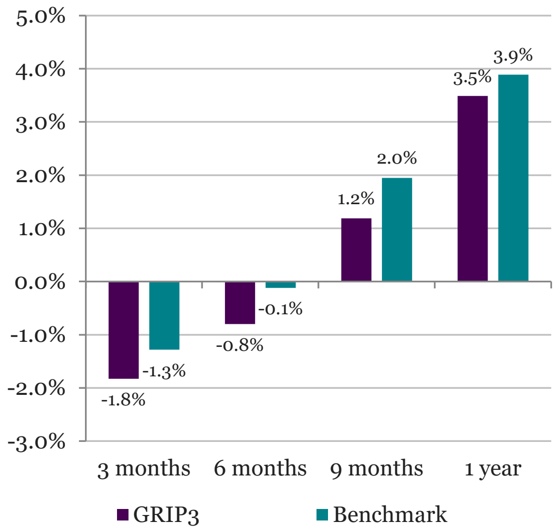
The past 5 years:



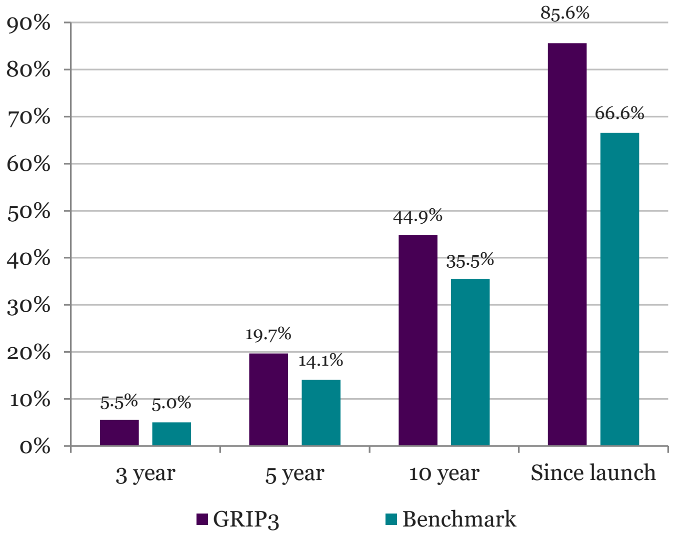
Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio performance against benchmark continued

Shorter term:



Longer term:



5 year percentage growth

Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund 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 value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio management

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Trevor Greetham, Head of Multi Asset, Royal London Asset Management

Portfolio governance

Governed Retirement Income Portfolio 3 is 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 Royal London's investment options.

Last three tactical changes:

15 May 2025

Royal London have tactically increased equity exposures while remaining broadly neutral as investor sentiment continues to recover from the third most depressed level in history, following a series of trade war de-escalations since the shock tariff announcement on Liberation Day. While a sentiment recovery could carry on in the near term, Royal London remain cautious over the medium term given elevated macro uncertainty. Royal London have also reduced the allocation to bonds marginally.

24 April 2025

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All data to 31.05.2025

A closer look at
Governed Retirement Income Portfolio 4

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 4 risk attitude.

The portfolio invests in a range of asset classes, that can include, but is not limited to equities, fixed interest, cash, property, and commodities.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	28.08.2012
Fund size (£m)	1804.7
Fund management charge (FMC)	1.00%
Royal London risk rating	4
Latest tactical change	15.05.2025

Ongoing Governance

This portfolio comes with ongoing governance. This simply means that Royal London investment experts check it regularly. It allows them 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 their 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.

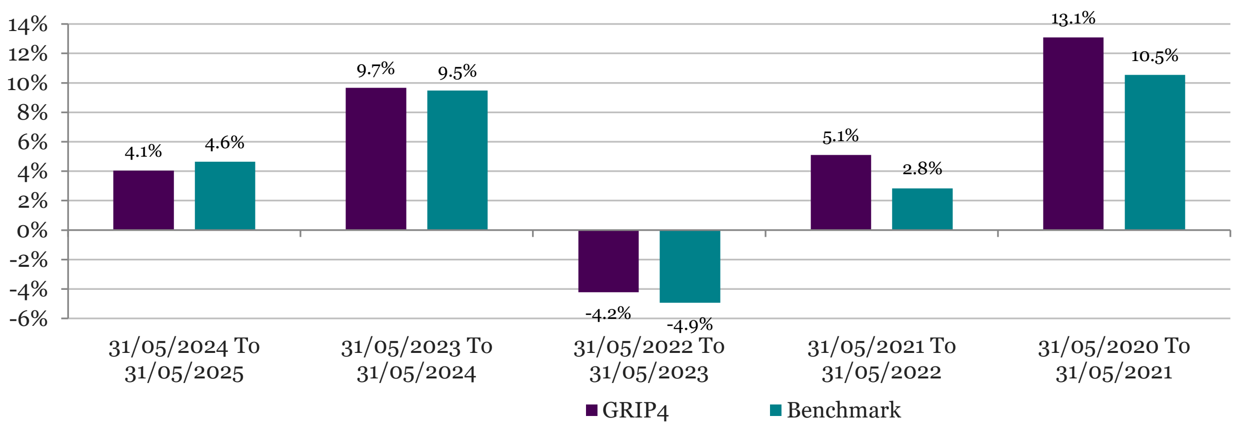
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	41.25%	41.75%	0.50%	Overweight
Government Bonds	7.50%	5.75%	-1.75%	Underweight
Corporate Bonds	11.25%	11.95%	0.70%	Overweight
Index Linked Bonds	3.75%	3.30%	-0.45%	Underweight
Property	8.75%	8.55%	-0.20%	Underweight
Absolute Return Strategies (inc. Cash)	10.00%	10.10%	0.10%	Overweight
High Yield Bonds	12.50%	13.10%	0.60%	Overweight
Commodities	5.00%	5.50%	0.50%	Overweight

Latest tactical positions as at 15.05.2025

Portfolio performance against benchmark

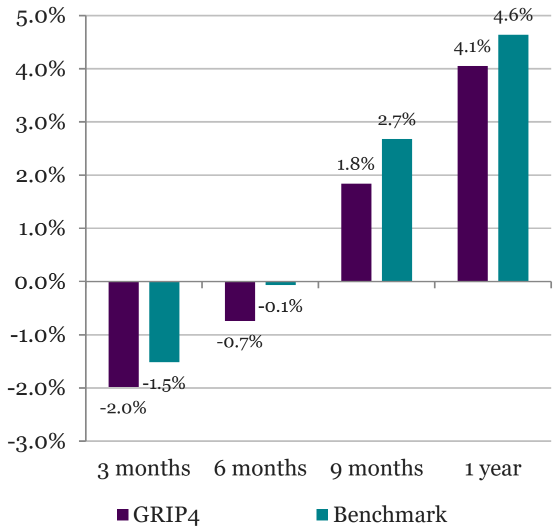
The past 5 years:



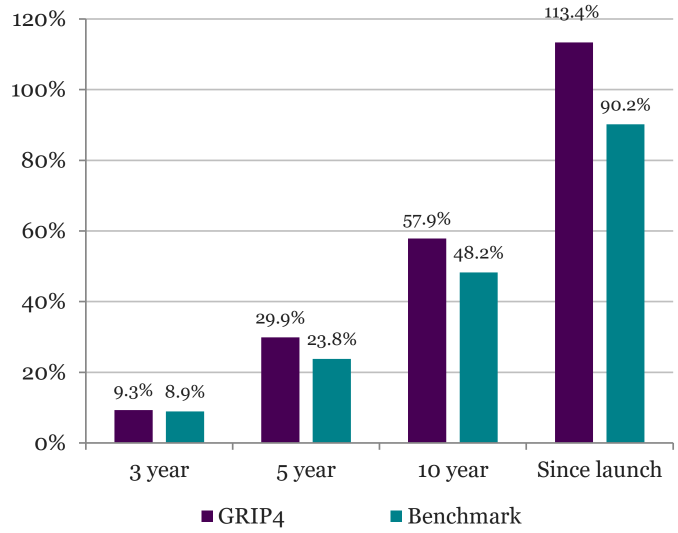
Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio performance against benchmark continued

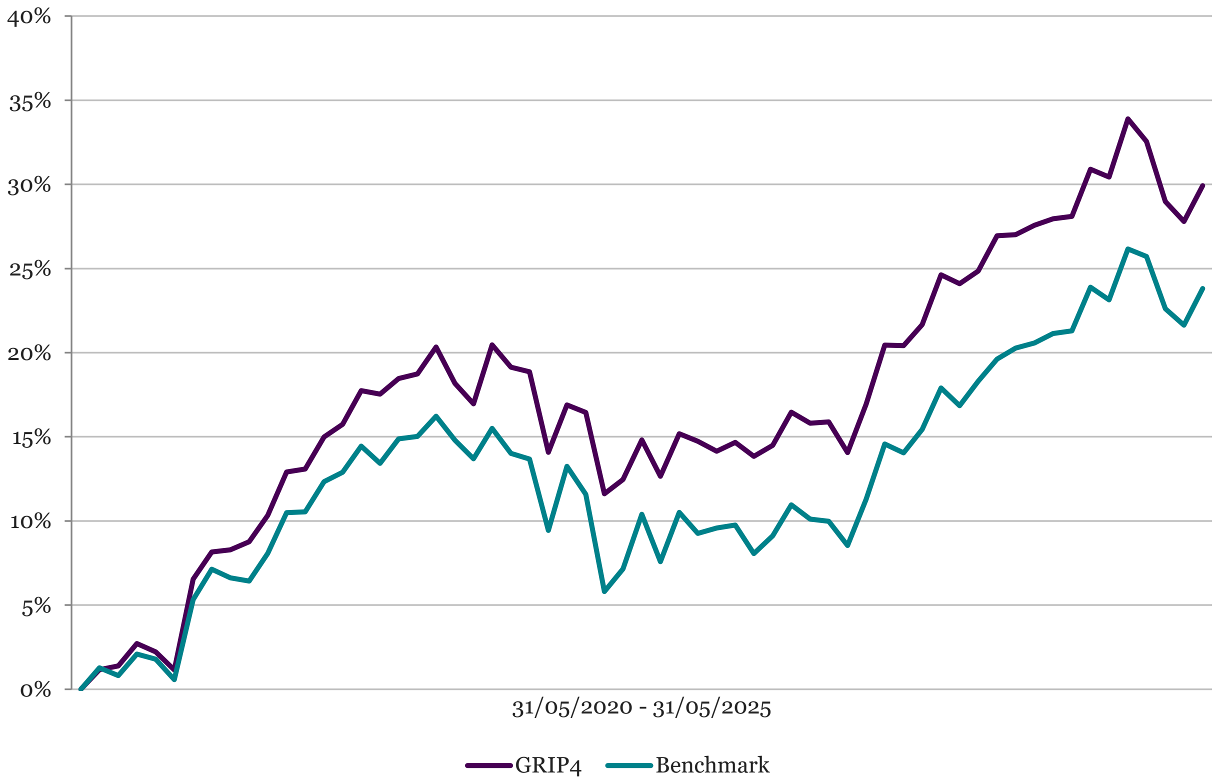
Shorter term:



Longer term:



5 year percentage growth



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Portfolio management

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Trevor Greetham, Head of Multi Asset, Royal London Asset Management

Portfolio governance

Governed Retirement Income Portfolio 4 is 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 Royal London's investment options.

Last three tactical changes:

15 May 2025

Royal London have tactically increased equity exposures while remaining broadly neutral as investor sentiment continues to recover from the third most depressed level in history, following a series of trade war de-escalations since the shock tariff announcement on Liberation Day. While a sentiment recovery could carry on in the near term, Royal London remain cautious over the medium term given elevated macro uncertainty. Royal London have also reduced the allocation to bonds marginally.

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All data to 31.05.2025

A closer look at
Governed Retirement Income Portfolio 5

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.

The portfolio invests in a range of asset classes, that can include, but is not limited to equities, fixed interest, cash, property, and commodities.

Fund manager	Trevor Greetham, Royal London Asset Management (since Apr-15)
Launch date	28.08.2012
Fund size (£m)	1931.8
Fund management charge (FMC)	1.00%
Royal London risk rating	5
Latest tactical change	15.05.2025

Ongoing Governance

This portfolio comes with ongoing governance. This simply means that Royal London investment experts check it regularly. It allows them 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 their 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.

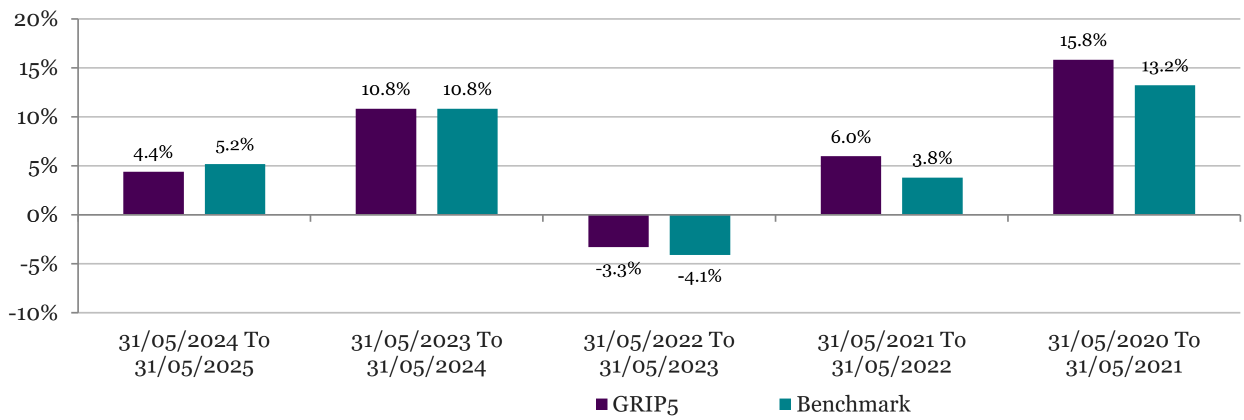
Latest positioning

Asset class	Benchmark	Tactical	+/-	Positioning
Equity	50.00%	50.50%	0.50%	Overweight
Government Bonds	5.00%	3.25%	-1.75%	Underweight
Corporate Bonds	7.50%	8.20%	0.70%	Overweight
Index Linked Bonds	2.50%	2.05%	-0.45%	Underweight
Property	10.00%	9.80%	-0.20%	Underweight
Absolute Return Strategies (inc. Cash)	7.50%	7.60%	0.10%	Overweight
High Yield Bonds	12.50%	13.10%	0.60%	Overweight
Commodities	5.00%	5.50%	0.50%	Overweight

Latest tactical positions as at 15.05.2025

Portfolio performance against benchmark

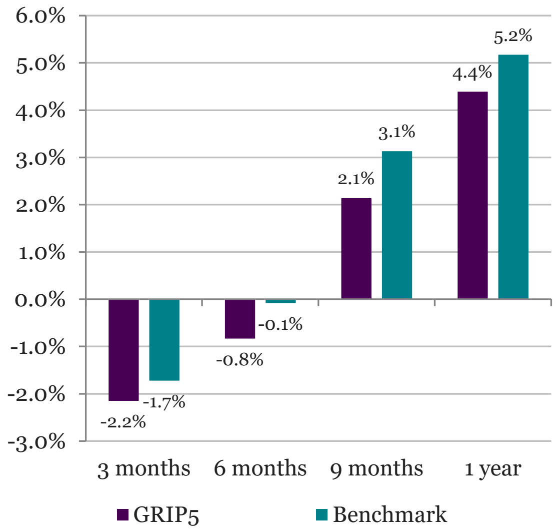
The past 5 years:



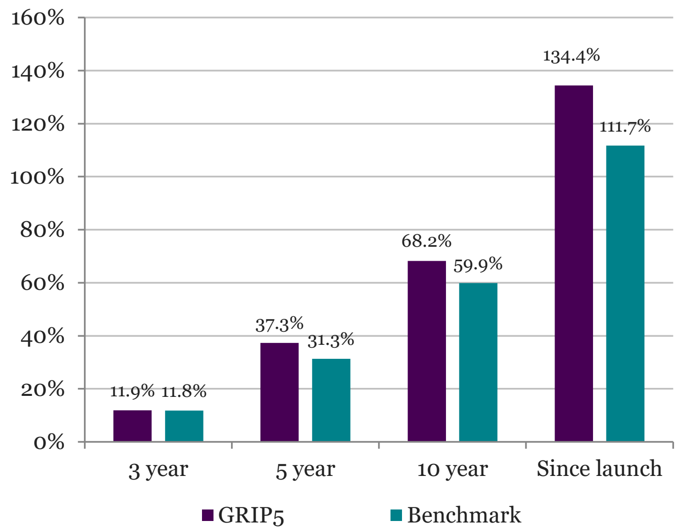
Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund Management Charge. Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio performance against benchmark continued

Shorter term:



Longer term:



5 year percentage growth

Source: Lipper, bid to bid, as at 31.05.2025, Royal London, as at 31.05.2025. All performance figures, including the figures shown for the growth in the benchmarks, have been calculated net of the Fund 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 value of your original investment. Investment returns may fluctuate and are not guaranteed.

Portfolio management

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Trevor Greetham, Head of Multi Asset, Royal London Asset Management

Portfolio governance

Governed Retirement Income Portfolio 5 is 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 Royal London's investment options.

Last three tactical changes:

15 May 2025

Royal London have tactically increased equity exposures while remaining broadly neutral as investor sentiment continues to recover from the third most depressed level in history, following a series of trade war de-escalations since the shock tariff announcement on Liberation Day. While a sentiment recovery could carry on in the near term, Royal London remain cautious over the medium term given elevated macro uncertainty. Royal London have also reduced the allocation to bonds marginally.

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Royal London investment update

Quarterly update - 31 March 2025

PERFORMANCE RANK	YEAR 2022	2023	2024	YTD
1	Commodities 30.7	Global Stocks 16.0	Global Stocks 20.2	Commodities 5.6
2	Cash 1.4	Global HY 11.9	Multi Asset 10.0	UK Stocks 4.5
3	UK Stocks 0.3	Corp Bonds 8.6	UK Stocks 9.5	Global HY 1.3
4	Multi Asset -6.9	UK Stocks 7.9	Global HY 8.9	Cash 1.1
5	Global Stocks -7.8	Multi Asset 7.6	Commodities 7.3	Corp Bonds 0.7
6	Property -8.8	Cash 4.7	Cash 5.2	Property 0.6
7	Global HY -12.6	Gilts 3.7	Corp Bonds 1.7	Gilts 0.6
8	Corp Bonds -17.7	IL Gilts 0.9	Property 1.6	IL Gilts -1.4
9	Gilts -23.8	Property -0.7	Gilts -3.3	Multi Asset -2.0
10	IL Gilts -33.6	Commodities -13.1	IL Gilts -8.3	Global Stocks -4.3

Source: Lipper, Royal London, as at 31 March 2025.

Past performance isn't a guide to the future. Prices can go down as well as up. Investment returns may fluctuate and aren't guaranteed, you/clients could get back less than the amount paid in.

Mixed Asset return = Governed Portfolio Growth. Governed Portfolio returns are net of 1% Annual Management Charge.

All indices are total return in £ Sterling except Commodities which is in US dollars. Global Stocks are ex UK.

Market update

Following two consecutive years of double-digit returns, global equities posted a much weaker start to the year. Volatility surged over the quarter as investors turned their attention from President Trump's promised tax cuts and deregulation to tariffs, DOGE layoffs and deportation. With megacap stocks entering the year at lofty valuations, worries of a new Artificial Intelligence (AI) model from DeepSeek, that is far cheaper than the US alternatives, saw the S&P 500 index witness its eleventh quickest correction since 1928. Meanwhile, European shares put in stellar performance on the back of a larger than expected fiscal package, including a debt break reform and a €500bn infrastructure fund to rearm Europe. This underperformance of US stocks versus rest of the world was the most in any quarter since 2009.

One asset which has benefitted significantly from the currently elevated global uncertainty is gold. The asset class has been a strong performer in commodity markets, both last year and so far in 2025 Central bank demand for physical metal has been very strong over recent years and consumers have stepped up as well more recently. Gold has historically acted as a good hedge in equity drawdowns, as we are seeing now, and expectations of largescale US tariffs have led to additional upside pressure ahead of the April 2 deadline.

Asset Class Breakdown

Global equities underperformed other asset classes amid heightened volatility as Trump's first couple of months in office sent policy uncertainty soaring. North American stocks struggled, and the Magnificent 7 index entered bear market territory as valuations were questioned on China's DeepSeek and growth fears. European stocks rallied on hopes of positive developments around fiscal spending.

ECB and BoE cut interest rates, while Fed stayed put and BoJ continued to move in another direction, this meant in Q1, UK was up 4.5%, and Europe positive 6.3%. UK property was up 1.3% for the Quarter. US yields fell as forward-looking data started to roll over. German 10-year saw the largest weekly rise since the 1990 reunification period on fiscal news.

Commodities were up 5.6% and outperformed other major asset classes amid tariff uncertainty; precious metals were especially strong as gold recorded its best quarter since 1986.

European currencies outperformed amid historical fiscal stimulus while US dollar depreciated on weaker than expected activity data. The yen was supported by BoJ policy direction and risk-off mood in markets.

The Governed Portfolios' diversified approach, which includes a mix of equities, bonds, commodities, and other asset classes, helped mitigate some of the risks associated with market volatility. The portfolios' active management and tactical allocation adjustments allowed them to respond effectively to changing market conditions. For instance, the portfolios' exposure to commercial property, which tends to be an inflation hedge, provided additional resilience. The portfolios also benefited from their allocation to global high yield bonds and government bonds, which offered stability amid market fluctuations.

Overall, the performance of the Governed Portfolios in Q1 2025 demonstrated the importance of diversification and active management in navigating complex market environments. By strategically adjusting their asset allocations and leveraging a broad range of asset classes, the portfolios were able to deliver resilient performance despite the challenges faced by the broader stock markets.

Governed Range update and portfolio positioning as at 1 April 2025

On a tactical level in Q1, we trimmed our equity overweight position closer to neutral, with a preference towards Europe and away from the US. Our Investment Clock had moved into Overheat, which historically has seen commodities outperform bonds. While US hard data remained resilient, forward-looking indicators flashed warning signs, with business and consumer confidence being challenged by policy uncertainty.

Market outlook

The RLAM Outlook 2025 report provides a comprehensive analysis of the UK investment landscape for the upcoming year. It highlights key economic indicators, market trends, and investment opportunities across various asset classes.

The report emphasizes the importance of responsible investment and stewardship, with a focus on environmental, social, and governance (ESG) factors. It also discusses the potential impact of geopolitical events, regulatory changes, and technological advancements on the UK market.

Governed Range strategy

We consider the following aspects to help the Governed Range position us for the future:

Strategic Asset Allocation (SAA) & Tactical Asset Allocation (TAA)

The SAA of the Governed Range is monitored on a quarterly basis and reviewed annually. This aims to ensure the portfolios remain appropriate for the long-term objectives of maximising returns after inflation, for a given risk level. We recently increased portfolio diversification via the SAA process.

We aim to add value through TAA irrespective of the market direction by utilising the Investment Clock, and other investment models, to make tweaks to our multi asset and regional equity allocations.

Diversification

The portfolios have exposure to Emerging Markets and Global Equities as well as holdings in asset classes such as Commodities and Property which are a useful hedge against inflation.

Active Management

It's crucial to design portfolios that match individual risk attitudes. Younger investors can take greater risks for higher returns, as their future pension contributions are yet to be invested, while older investors tend to be more risk-averse. Therefore, different portfolios are built to suit varying risk levels.

We think it's very important to be an active investor and we would actually argue there's no such thing as a passive multi-asset fund. The choice of asset classes to include in the first place is an active choice. You should be adjusting the asset mix, as the investing environment changes, both in terms of the valuation, which gives you a view of longer term returns, but also shorter term developments, and, for example, the business cycle.

Investing for the long-term in the UK

Investors in the Governed Range will typically be pension customers retiring into a UK economy so it makes sense to have long term outcomes relative to UK pension savers and UK inflation.

Our approach

We believe that a well-diversified portfolio is the most effective way of maximising risk-adjusted return and mitigate uncertainty over both the short and longer term.

Our multi-asset portfolios are designed to optimise performance and better withstand shocks, manage volatility and downside risk. A typical pensions customer will be invested for years, if not decades and, as such, we position the portfolios to maximise performance over the long-term.

Responsible Investment **case studies**

Your pension savings, along with those of other Royal London customers, are invested in companies, meaning you own shares in them.

The asset managers who invest your money act as shareholders on your behalf to influence positive change in those companies and help deliver better outcomes for you, society and the environment. In these case studies, we look at how our main asset manager partner, Royal London Asset Management, has engaged with some of the companies it invests in.

Helping to tackle climate issues

As a signatory of the Net Zero Asset Managers initiative, Royal London Asset Management looks to influence companies to adopt emissions reduction targets and climate transition plans that support the goal of net zero greenhouse gas emissions by 2050 or earlier.

What's the background?

BP has a climate plan, which sets out how it will adapt to achieve its ambition to become a net zero company by 2050 or before - this was approved by shareholders at the company's 2022 Annual General Meeting (AGM). In February 2023, BP announced changes to this plan on the back of changing political sentiment across Europe and US - governments were looking for increased oil and gas production to try to lower energy prices in the short term.

Royal London Asset Management wasn't comfortable that BP hadn't consulted shareholders consultation on the changes to the climate plan. It believed BP should have given shareholders the opportunity to vote on the new plan at the 2023 AGM.

What action has Royal London Asset Management taken?

Royal London Asset Management met BP's chief executive and other senior leaders to discuss its concerns about the updated climate plan and explain its voting rationale at the upcoming AGM. Due to these concerns, Royal London Asset Management voted against the re-election of the company's chairman at the AGM, and wrote to the chief executive in June 2023 to reiterate its concerns and voting rationale.

Royal London Asset Management also abstained on a shareholder proposal around the reporting on and reduction of greenhouse gas emissions. The proposal was looking for BP to align its greenhouse gas emissions reduction aims with the goal of the Paris Climate Agreement and report against that.

Although still largely supportive of BP's approach, this abstention signalled that Royal London Asset Management wanted further detailed disclosure on reporting, particularly in light of the changes to the climate plan announced by BP which weren't resubmitted to shareholders for a vote.

Encouraging workforce diversity

What's the background?

Compass is a UK company providing food contract services to businesses. The company operates across 45 countries in 55,000 client locations and employs around half a million people.

The Compass board had recently established its 'people commitments'. As part of this, it identified areas where the company could make improvements on diversity – particularly in leadership, teams and diverse talent.

Royal London Asset Management used its regular reviews to engage with Compass on its diversity policies and practices to gain greater insight and encourage increased transparency.

How did Royal London Asset Management engage with Compass?

Royal London Asset Management met the company's group chief people officer and one of its independent non-executive directors, who is also the workforce engagement lead with a focus on building relationships with employees. The meeting aimed to understand how Compass is implementing and measuring diversity activity and engagement, specifically around ethnic minorities, and how this supports Compass's people commitments.

Using data collated predominately on its US employees, Compass was able to prove that when it's had more women in leadership teams, it has enjoyed more business success, and has seen proportionately higher levels of engagement from ethnically diverse employees.

In the UK, Compass is focusing on diversity related to social and economic factors and plans to look at its recruitment practices to encourage more people from different backgrounds to apply for roles. On bias and prejudice issues, where people can inadvertently discriminate against others due to stereotyping, the company explained that this often starts with ignorance, so it's working on addressing this through education.

Compass has also highlighted areas where it's looking to improve, such as the proportion of female senior leaders.

Climate commitments, employee relations and governance practices

What's the background?

Early in 2022, Royal London Asset Management engaged with Amazon to discuss its climate commitments, employee relations and governance practices around tax disclosures. Several of these topics discussed formed the basis of shareholder proposals tabled at the 2023 AGM.

What was the focus of Royal London Asset Management's engagement with Amazon?

Climate reporting
Amazon reiterated its commitment to disclosing how it's tackling its climate commitments and will only turn to carbon offsets as a last resort. Carbon offsets negate – offset - carbon emissions with activities such as using renewable energy sources or planting trees.
The company highlighted that some parts of its supply chain (for example freight and shipping) are harder to decarbonise, and it doesn't yet have a clear plan to tackle this.

Employee relations
Amazon continues to push back against unionisation, claiming that unions work against the best interests of both the company and employees. However, it agreed to at least have a conversation with the union if employees voted in favour of one. Employees have since voted to support forming a union at Amazon's fulfilment centre in New York.

Tax disclosure
There's been concern around Amazon's level of tax disclosure. During its engagement with Amazon, Royal London Asset Management emphasised the importance of clear and transparent disclosure on tax. However, Amazon remained firm on not disclosing more information.

How did Royal London Asset Management vote on the 2023 AGM shareholder proposals?

Tax transparency
Royal London Asset Management voted in favour of a proposal for increased disclosure on tax to help shareholders assess Amazon's tax-related risks. This vote reinforced Royal London Asset Management's previous discussions with the company about its disclosure approach.

Animal welfare standards
Royal London Asset Management abstained on a vote for a report evaluating animal welfare standards at Whole Foods, which had been bought by Amazon in 2017. Shareholders had tabled concerns about Whole Foods' animal welfare practices. While Royal London Asset Management supports better disclosure, Amazon is considered open in its approach to this issue, promotes high standards and has shown itself quick to act in response to any identified issues in the supply chain. Royal London Asset Management also considered the proposed timeline to report on this issue was overly pressured.

Freedom of association
Freedom of association allows workers and employers to create and join organisations of their choice without fear of reprisal. That includes joining unions and bargaining collectively for better working conditions. Royal London Asset Management voted in favour of a request for Amazon to disclose how it ensures workers' rights in this area, particularly since there have been some significant controversies about Amazon's labour practices and apparent anti-union stance.

Employee salary considerations and executive pay
Royal London Asset Management voted against a proposal to consider employee salaries when setting executive pay. It believes that these decisions are usually best left to a company's compensation committee, which has access to more information than shareholders.
Royal London Asset Management also voted against a proposal tabled by Amazon's board on executive pay. It believes the compensation structure falls short of best practice standards, with a lack of performance-related incentive plans and a reliance on discretionary grants such as selective share awards insufficiently linked to company performance.

Royal London's climate change commitments

Climate change is a challenge that will impact the future for generations to come. To play its part in moving fairly to a sustainable world, Royal London is committed to reducing its portfolio and operational emissions, exerting its influence through engagement and developing climate-aware investment solutions.

How Royal London plans to make a positive difference

Royal London believes the best future for its customers is one where, collectively, everyone achieves the goals of the Paris Agreement[1], a legally binding international treaty on climate change, and this helps define its actions.

While most of its emissions are generated through its investment portfolio, Royal London is also mindful of how its own operations and activities contribute to climate change.

Royal London is committed to:

Reducing emissions from its investment portfolio by 50% by 2030 from a baseline of 2020, and to achieving net zero by 2050. It also aims to achieve net zero emissions in its property assets directly managed by Royal London Asset Management by 2030, and in its indirectly managed property assets by 2040.

Reaching net zero in its direct operational emissions by 2030 and in its non-investment value chain[2] by 2050, with an interim target of a 50% reduction by 2030 from a 2019 baseline.

Developing climate-aware investment solutions that will enable its customers to invest in the low-carbon transition.

Engaging with policymakers, the companies it invests in, its peers, and other stakeholders to advocate on climate-related issues.

Its commitments are based on the expectation that governments and policymakers will deliver on the commitments to achieve the goals of the Paris Agreement, and that the actions it needs to take don't go against its duty to act in the best interests of its members, customers and clients – known as its fiduciary duty.

You can read more about the actions Royal London is taking on their website - www.royallondon.com/about-us/how-we-are-run/mutuality/our-climate-commitments/

[1] For more information, visit the UNFCCC website - https://unfccc.int/process-and-meetings/the-paris-agreement

[2] The value chain is the series of stages involved in producing a product or service that is sold to consumers, with each stage adding to the value of the product or service.

Understanding more about Royal London's operational climate commitments

Direct operational emissions

When Royal London talks about this, it means greenhouse gas emissions from sources that it owns or controls, such as the natural gas used in its buildings and its company cars (also known as its Scope 1 emissions), as well as the energy it buys to light and power its buildings (its Scope 2 emissions).

Indirect non-investment value chain emissions

This refers to greenhouse gas emissions that result from business activities across Royal London's value chain, such as from the goods and services it buys, travel and waste (also known as its Scope 3 emissions, excluding investment-related emissions).

Developing climate-aware investment solutions

There's £3 trillion invested in UK pensions[3]. Royal London wants to help unlock the power of pensions – by aiming to use its influence to support a fair transition to a low-carbon economy, and by continuing to help its customers build their financial resilience.

Royal London Asset Management, which manages most of Royal London's customers' investments, is a signatory of the Climate Action 100+ and its European branch, The Institutional Investors Group for Climate Change (IIGCC). Climate Action 100+ is an initiative looking to influence the world's largest corporate greenhouse gas emitters to act on climate change. As part of this, Royal London Asset Management is committed to aligning its investments to net zero by 2050.

Royal London Asset Management actively supports initiatives encouraging the reduction of carbon emissions and transition to a sustainable world, in a way that considers the impact on society.

It integrates ESG (environmental, social and governance) factors into its investment decision-making process and its investment philosophy is based on actively engaging with the companies it invests in, to help influence their behaviour.

Case study: helping power homes and businesses in India

Royal London has partnered with Climate Impact Partners to support solar energy systems for communities in India to offset the emissions generated by its offices and operations in 2023.

Why did it choose this project?

With a growing middle class in India, energy demand outstrips supply. In rural areas, households use kerosene or other fossil fuels, and the grid supply can be unreliable. Blackouts are not unusual.

Orb Energy manufactures, sells, installs and services a range of high-quality solar energy systems for residential and commercial customers in rural India. This project has brought over 160,000 reliable solar power and solar water heating systems to customers throughout the country. It also reduces around 55,000 tonnes of carbon dioxide equivalent emissions a year by replacing the use of kerosene or dirty grid electricity.

Household electricity bills are reduced by more than 50% when solar energy is used for water heating. These savings directly improve the quality of life for families in India and consistent lighting at home means greater opportunities for children to study. Businesses are also able to operate for longer and more consistently, which supports the local economy.

[3] Make My Money Matter, 2024 - https://makemymoneymatter.co.uk/whats-the-issue/

Latest tactical change - 19 June 2025

The Multi Asset team at Royal London Asset Management have made a tactical change to the asset allocation of Royal London's Governed Portfolios (GPs) and Governed Retirement Income Portfolios (GRIPs).

What's changed?

Royal London has reduced tactical exposure to equities as stock markets have rallied sharply back towards their highs and investor sentiment has returned to normal levels. Despite these developments, much uncertainty still remains and geopolitical risk has spiked meaningfully. Noting the risk of an inflationary shock and improving technical backdrop, they've added to commodities. They've added to bonds at the margin but remain broadly neutral the asset class given the current macro uncertainty.

	Overweight	Neutral	Underweight
Equities			Decreased
Property			No change
Commodities	Increased		
High Yield Bonds	Decreased		
Government Bonds			Increased
Index Linked Bonds			Increased
Corporate Bonds	Decreased		
Absolute Return Strategies (including cash)		No change	

Strategic asset allocation **changes**

In June 2024, Royal London made some changes to the strategic asset allocations (SAAs) of its Governed Portfolios and Governed Retirement Income Portfolios to help improve risk-adjusted returns and income sustainability for customers.

Frequency of SAA reviews

The Investment Advisory Committee (IAC) monitors how the portfolios are delivering against their risk objectives every quarter, as well as carrying out a formal review every three years and a detailed review every 12 months.

Quarterly review	Annual review	Triennial review
Looks at the efficiency of each portfolio and considers how the current SAA positions are going to meet their risk and return objectives.	Looks at the overall asset allocation, regional split and bond duration of the portfolio, as well as any new funds which can be added to existing strategies.	Ensures that portfolios remain appropriate for their long-term objectives, which are designed to optimise returns within their risk framework.

Regional equity mix

Royal London has made some changes to the regional equity mix within the Governed Portfolios (GPs) and Governed Retirement Income Portfolios (GRIPs) to reflect a reduction in UK exposure by 5%.

What's changed?

Royal London has changed the global equity allocation benchmark from:

- 25% FTSE All-Share/65% FTSE World/10% Emerging Markets ESG Leaders

to:

- 20% FTSE All-Share/70% FTSE World/10% Emerging Markets ESG Leaders.

This increase in exposure to developed market equities continues Royal London's move to a broader global approach to equities and aims to provide customers with greater exposure to faster-growing sectors which aren't well represented in the UK market.

Property allocation

Royal London has reduced the property allocation in a number of GPs and GRIPs to allow for a smooth stepping of these allocations across the risk spectrum.

What's changed?

Royal London has reduced the property allocation in GPs Moderate and Enhanced, and GRIPs 2 and 4 by 1.25%, and moved this into the equity allocation.

These changes don't have a material impact on the risk and return profiles of the affected GPs and GRIPs. Direct property remains a valuable component across the Governed Range portfolios as Royal London believes that it improves portfolio diversification and provides exposure to strong inflation-linked returns over the long-term.

SAAs for GPs and GRIPs

The updated strategic asset allocations for the Governed Portfolios are shown below.

	Governed Portfolio Defensive	Governed Portfolio Conservative	Governed Portfolio Moderate	Governed Portfolio Growth	Governed Portfolio Enhanced	Governed Portfolio Dynamic	Governed Portfolio Total Equity
Equities	12.50%	32.50%	43.75%	57.50%	71.25%	80.00%	100.00%
Property	5.00%	7.50%	8.75%	10.00%	11.25%	12.50%	-
Commodities	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	-
Global high yield bonds	7.50%	5.00%	5.00%	5.00%	2.50%	2.50%	-
UK corporate bonds	9.00%	6.25%	5.00%	3.25%	1.50%	-	-
Global corporate bonds	3.50%	2.50%	2.50%	1.75%	0.50%	-	-
Short duration UK corporate bonds	12.50%	10.00%	7.50%	2.50%	-	-	-
UK index linked bonds	2.50%	2.50%	2.50%	2.50%	1.00%	-	-
Short duration global index linked Bonds	7.50%	5.00%	2.50%	-	-	-	-
UK government bonds	9.50%	6.75%	5.75%	5.75%	1.50%	-	-
Global government bonds	3.00%	2.00%	1.75%	1.75%	0.50%	-	-
Short duration UK government bonds	10.00%	5.00%	2.50%	-	-	-	-
Absolute return strategies (including cash)	12.50%	10.00%	7.50%	5.00%	5.00%	-	-

The updated strategic asset allocations for the Governed Retirement Income Portfolios are shown below.

	GRIP1	GRIP2	GRIP3	GRIP4	GRIP5
Equity	12.50%	23.75%	30.00%	41.25%	50.00%
Property	5.00%	6.25%	7.50%	8.75%	10.00%
Commodities	5.00%	5.00%	5.00%	5.00%	5.00%
Global High Yield Bonds	5.00%	5.00%	5.00%	6.25%	6.25%
UK High Yield Bonds	5.00%	5.00%	5.00%	6.25%	6.25%
UK Corporate Bonds	14.00%	13.00%	10.00%	7.25%	4.00%
Global Corporate Bonds	4.00%	3.50%	3.25%	2.00%	2.00%
Short Duration UK Corporate Bonds	4.50%	4.50%	3.00%	2.00%	1.50%
UK Index Linked	5.00%	5.00%	5.00%	3.75%	2.50%
Short Duration UK Index Linked	1.50%	0.75%	0.75%	-	-
Short Duration Global Index Linked	3.50%	1.75%	1.75%	-	-
UK Government Bonds	10.00%	10.00%	9.75%	5.00%	4.00%
Global Government Bonds	4.00%	3.75%	2.50%	2.50%	1.00%
Short Duration UK Government Bonds	11.00%	2.75%	1.50%	-	-
Absolute Return Strategies (including Cash)	10.00%	10.00%	10.00%	10.00%	7.50%

Investing through market volatility

Pound cost averaging can be a useful way to ensure you don't buy at the wrong time and are able to take advantage of market volatility.

What's pound cost averaging?

Pound cost averaging is the concept of making regular contributions to your investments in order to smooth out market volatility. By making regular contributions, you naturally buy fewer units when prices are high, and more units when prices are low. Over the long-term, not only does this create a disciplined investment approach, but this strategy will help take advantage of volatile periods and potentially improve your returns.

Timing the market

One of the greatest things about pound cost averaging is that it removes the worry of making a lump sum investment right before a market decline. Trying to time the market rarely pays off and often it's more luck than skill - so even seasoned investors avoid falling into this trap. Using pound cost averaging, you can be safe in the knowledge that through volatile periods, your money will be working to ensure you buy units at a lower price with a long-term view.

Rising markets

Of course, there will be exceptions to this philosophy and there's no guarantee that pound cost averaging will result in better outcomes than lump sum investing. One of these exceptions is a consistently rising market where investing a lump sum from the outset will give you the lowest possible unit price, and therefore generate the highest return. However, the investment journey is rarely a smooth one and given no one knows for sure that markets will consistently rise over your investment journey, the pound cost averaging method can be a useful way to ensure you don't buy at the wrong time and are able to take advantage of market volatility.

Key points

Pound cost averaging:

- helps create a disciplined investment approach
- removes the worry of making lump sum investments at the wrong time
- enables you to take advantage of market volatility
- isn't guaranteed to be the best strategy, but it's a low maintenance and lower stress approach.

Example 1 shows the pound cost averaging method for two different customers over a volatile period

Customer A invests £1,000 a month over the year, whereas Customer B invests £12,000 in January. The market rises and falls throughout the year, with the unit price following the same trend. By December, Customer A's been able to take advantage of falling prices and has bought over 1,000 more units and paid a lower average price than Customer B. This leaves customer A with almost £2,000 more over the 12 month timeframe.

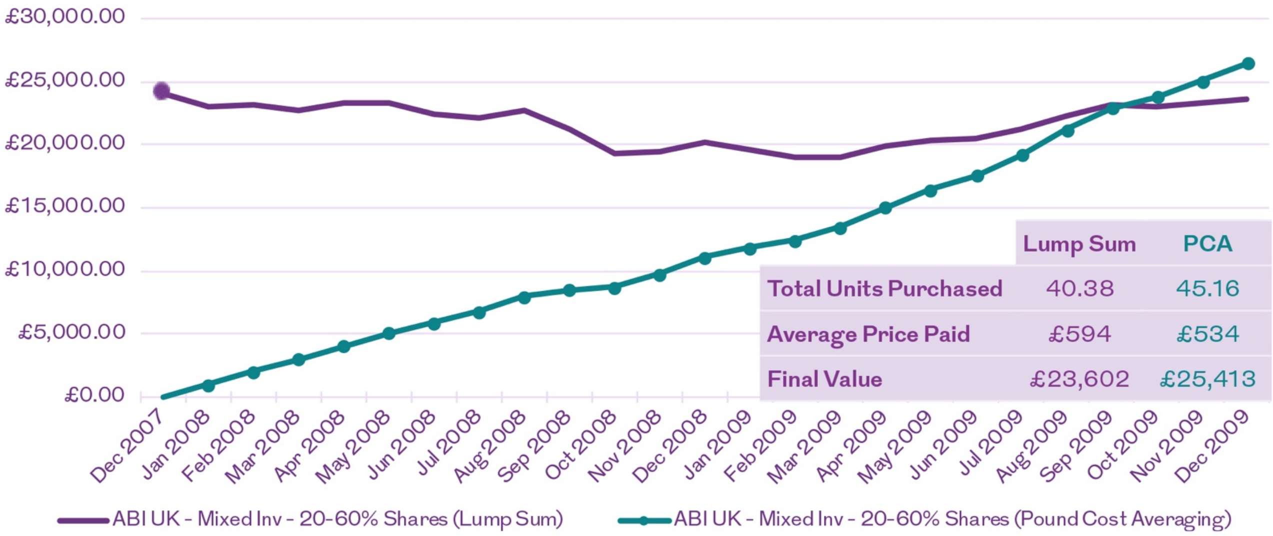
Month	Unit Price	Customer A Contributions	Customer B Contributions
January	£2.00	£1.000	£12.000
February	£1.91	£1.000	-
March	£1.74	£1.000	-
April	£1.70	£1.000	-
May	£1.65	£1.000	-
June	£1.57	£1.000	-
July	£1.52	£1.000	-
August	£1.57	£1.000	-
September	£1.61	£1.000	-
October	£1.65	£1.000	-
November	£1.74	£1.000	-
December	£1.83	£1.000	-

Total Units Purchased		£7.077	6.000
Average Price Paid		£1.71	£2.00
Final Value		£12.923	£10.956

Example 2A shows a real example of how using pound cost averaging through the last financial crisis in 2007 to 2009 may have been beneficial

Example 2A shows a real example of how using pound cost averaging through the last financial crisis in 2007 to 2009 may have been beneficial

The purple line shows investment in the ABI Mixed Investment 20-60% shares, with a single contribution of £24,000 and the teal line shows a regular contribution of £1,000 over the same period. You can see that the pound cost averaging method has resulted in a higher number of total units bought, a lower average price paid and a higher final value.

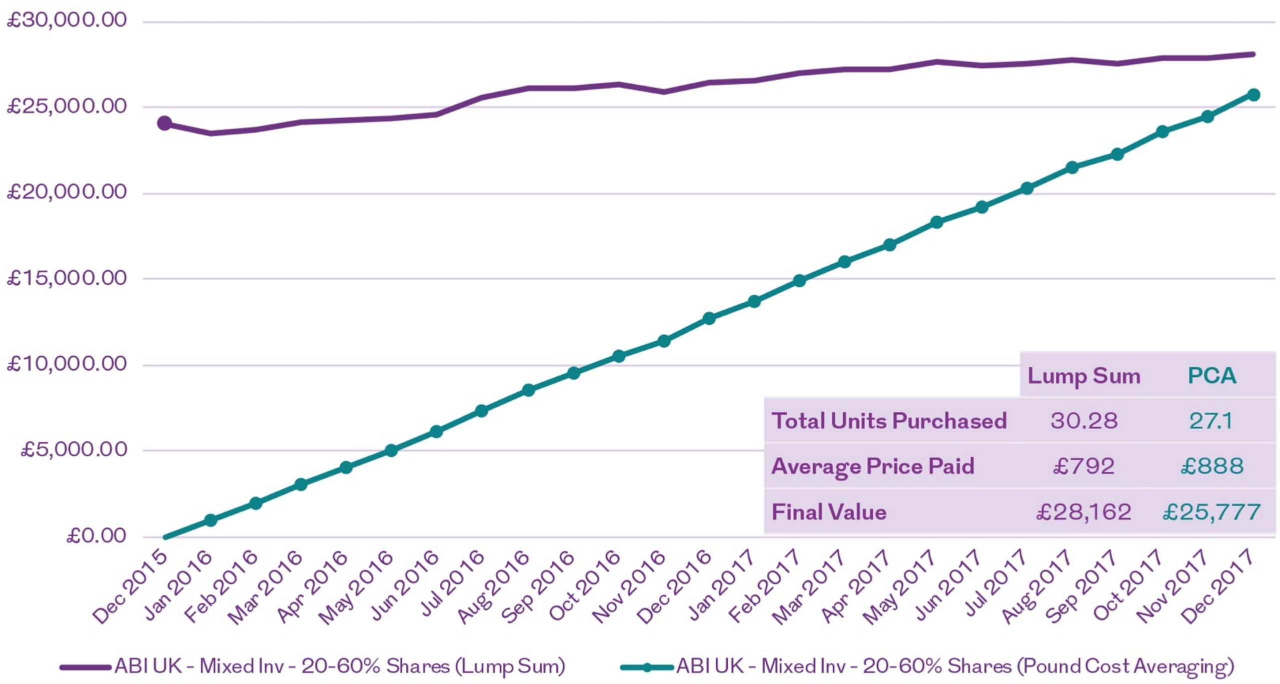


	Lump Sum	PCA
Total Units Purchased	40.38	45.16
Average Price Paid	£594	£534
Final Value	£23,602	£25,413

Example 2B shows a real example (using the same basis as example 2A) of how the pound cost averaging method may result in poorer outcomes in a market which overall, has net positive returns

What it really comes down to however, is individual investor preference. Using either method (or a mixture of both) as a well-structured, long-term investment strategy should help you on the way to building up enough retirement savings to support you through retirement.

Remember that investment returns are never guaranteed, so you could get back less than you paid in.



	Lump Sum	PCA
Total Units Purchased	30.28	27.1
Average Price Paid	£792	£888
Final Value	£28,162	£25,777

Combining your pensions: the pros and cons

When it comes to saving money on a credit card or mortgage, people don't think twice about looking around for the best deal. But did you know you can do the same with your pension?

Why you should consider combining your pensions

Sticking with the same pension product until you retire might not be the best option for you. If you have an older type of pension, you could benefit from switching to a modern, flexible pension with lower charges, more choice in how you invest your pension savings and the ability to take your pension savings how and when you need to.

And if you've built up several pensions throughout your working life, one way to help your pension savings work harder and smarter could be combining them into one pension plan.

Things to consider

Lower charges might play a major role in your decision to switch your pension, but other features of the plan should also be considered. For example, a plan that can adapt to your changing circumstances or having access to a wider choice of investments might be more important to you, so you might be prepared to pay higher charges.

The decision to switch pensions needs careful consideration as it may not be in your best interests. Here's some things to consider with the help of a financial adviser:

- Does your current pension plan have high charges?
- Does your current pension plan offer a range of investments, designed to suit different attitudes to risk, time to retirement and ways to access your pension savings?
- Does your current pension plan allow you to access your pension savings how and when you need to?
- Does your current pension plan have any valuable benefits that could be lost if you switch to another plan?
- Does your current pension plan have any penalties for switching?
- Does your current pension plan allow you to pay your financial adviser for advice tax-efficiently, direct from your pension savings?

What are the pros and cons?

There are pros and cons to switching your pension, so it's important you have all the information you need to make the right decision.

The pros

- **It's easier:** it can be difficult keeping track of lots of different pensions. By combining them into one plan, you'll have a clearer picture of what you've got – and there's a lot less paperwork and passwords to keep on top of.
- **There may be lower charges:** you might want to switch to take advantage of lower charges.
- **You could have more choice and flexibility:** if you switch your pension into another plan, you could have more flexibility over how and when you access your pension savings and the option to leave money behind for loved ones when you die.

- **There may be more suitable investment options:** your pension savings will have a coherent and consolidated investment strategy. You could also have a wider range of investments to choose from to suit your needs.

- **You could get a potentially higher retirement income:** if you plan to buy an annuity (where you use your pension savings to buy a guaranteed income for life), you might be able to get a better annuity rate, and therefore a higher income, with one big pension rather than two or more small ones.

The cons

- **You may be charged:** you may be charged for switching your pension to another provider.

- **You could lose valuable benefits:** some pension schemes, for example, entitle you to take more than the standard 25% in tax-free cash. Others might give you better protection from inflation, allow you to take your pension earlier than the usual age of 55, or come with a Guaranteed Annuity Rate (GAR). If your pension has a GAR, it means your provider will guarantee to pay you a minimum level of income for the rest of your life, in return for your pension savings. Because this is a particularly valuable benefit, you have to get financial advice before you transfer a pension worth more than £30,000 if it has a GAR.

- **There are advantages to having a small pot:** small pension pots come with particular privileges that can be very useful. For example, you can cash in small pots of less than £10,000 (known as trivial pots) and still continue to pay into another pension up to the annual allowance of £40,000. Usually when you start to take income from a pension, the amount you can continue to contribute to a pension drops to just £4,000 a year.

How your pension is invested

There's more to investing a pension than meets the eye - your money goes through a technical transformation process to turn your pounds now, into hopefully more pounds in the future.

Important information

There are two big goals that your pension fund manager has for your money while you're working: to keep it safe and to help it grow. These priorities are important to keep in mind when you read through the rest of this information.

What happens when your pension contribution leaves your pay packet?

It's not quite as simple as you'd think. Most people think their contribution gets combined with their employer's contribution (if applicable), invested directly in the global stock market, and paid back to you in 30 to 40 years' time. But that's not quite what happens.

Think of your pension contribution as going into something like an upside-down funnel. The money goes into the narrow bit at the top and then it's spread out across a range of different investments, going through several stages in between.

Once your contribution's received, it's automatically invested by the asset managers Royal London use (the main one is Royal London Asset Management, their wholly-owned subsidiary).

Not all this money's invested in one place. For example, some could go into 'equities', which is buying shares in companies all over the world. It could also go into 'property' by buying building and offices all over the UK. It can also be used as loans to companies, or even the government, by buying 'bonds'.

The benefits of diversification

Spreading out your money like this is good for two reasons. Firstly, it limits risk, as if one part of the market goes through a rough patch, at least there's some money in another area to balance this out. Secondly, it gives your pension savings the biggest possible chance of rising in value over the years, so you end up with a decent amount of pension savings when you stop working.

This investment approach is reviewed frequently to make sure it's still achieving its goals on your behalf. It has to grow for decades, after all, and markets and strategies for long-term growth and risk management change over time, so your investment approach should too.

This is why tweaks are made by the pension fund managers, if necessary, along the way. Remember, investments can go down as well as up, so you might not get back all the money you paid in.

Inheritance tax: the basics

Inheritance planning is all about deciding the best way to leave your estate to your loved ones when you die. No one likes to think about death. But planning ahead and being prepared could make a big difference to those you leave behind.

What's inheritance tax?

It's a common misconception that only the extremely wealthy have an estate. The reality is that everyone has an estate, no matter how big or small it may be.

This includes your house, money, savings and investments and any other personal possessions you may have, such as cars and jewellery.

When you die, the Government charges tax on your estate. This is called 'inheritance tax (IHT)' and is payable by whoever inherits your estate. The first £325,000 of your estate is free from IHT – this is known as your nil rate band.

If you leave all your assets to your spouse or civil partner, there's normally no IHT to pay.

When you die, your unused nil rate band is added to your spouse or civil partner's nil rate band, giving them a total nil rate band of up to £650,000.

People can also benefit from the use of a residential nil rate band (RNRB), which was introduced in April 2017. This means the first £175,000 (2021/22) of your home's value is also free from IHT. However, this is dependent on you passing your home to a 'direct descendant' such as your child or grandchild.

Like the IHT nil rate band, the unused RNRB can be transferred between spouses and civil partners. This means that in 2021/22, married couples and civil partners can get an IHT allowance of up to £1 million.

For people who exceed their nil rate bands and aren't exempt, the rate of IHT is usually 40%.

How is IHT paid?

Any IHT due on an estate has to be paid to Her Majesty's Revenue and Customs (HMRC). This should be done by the person who's dealing with the deceased's estate. If they left a will, they'll probably have named those people in it (known as their executors). If there's no will, the estate's typically dealt with by a relative.

Valuing someone's estate can be tricky, but the Government website gov.uk has lots of useful information on how to do this.

Once you've estimated the value of the estate, you can register online to complete an inheritance tax estate report. This will tell you if you can report everything online or if you need a paper form, if there's IHT to pay and when to pay it.

Paying an IHT bill

You must pay IHT by the end of the sixth month after the person died. You'll need to get a payment reference number before you can pay your IHT bill. You can pay from your own bank account or a joint account you have with the deceased.

If there's not enough money available to pay the IHT bill from your or the deceased's bank accounts, the deceased may have some life insurance written in trust that could be used to help pay the bill or you may be able to get an executor's loan from a bank. Alternatively, you can ask banks or building societies to pay some or all of the tax due from the deceased person's accounts directly to HMRC using the Direct Payment Scheme.

You can claim back the money from the deceased's estate or the beneficiaries once you get a Grant of Representation (also known as probate or letters of administration). This is called Confirmation in Scotland.

Where to find out more

You can find out more about how to pay an IHT bill on the Government website – www.gov.uk/paying-inheritance-tax

If you'd like more help understanding your IHT responsibilities, you can contact the Government inheritance tax helpline on **0300 123 1072**.

You'll also find a range of articles and guides on death and money matters on Royal London's bereavement hub at www.royallondon.com/articles-guides/learn/bereavement

Pensions and divorce

Pensions are an important asset and will be considered as part of the overall financial settlement you and your partner reach.

Dividing up your pensions

If you're going through a divorce*, dividing up any pensions you have will usually be one of the largest financial decisions you need to make.

What exactly can be divided depends on where in the UK you're divorcing.

- **In England and Wales**: The total value of the pensions you've each built up is taken into account. This doesn't only mean the pensions that you or your ex-partner built up while you were married or in a civil partnership, but all of your pensions – except the basic State Pension.

- **In Scotland:** Only the value of the pensions you've both built up during your marriage or civil partnership is taken into account. This means that anything built up after your 'date of separation' or before you married or became civil partners doesn't count.

* The rules surrounding dissolution of a civil partnership are the same as those for divorce. We use the term 'divorce' to mean the end of a civil partnership as well as the end of a marriage.

This information focuses primarily on how ‘Pensions and Divorce’ work in England and Wales.

Financial agreements and divorce

There's no set formula as to how your assets and income will be divided.

If you end up going to court, they'll seek to achieve fairness. Generally, the starting point is a 50:50 split, but this can be adjusted if it doesn't achieve a fair result.

Each divorce settlement’s different, which means that the treatment of any pensions will also be different from case to case. In some cases, they could be ignored altogether if you and your ex-partner both have your own pensions.

For divorces after December 2000, pensions can be taken into account in one of three ways – offsetting, earmarking and pension sharing.

Offsetting

Under offsetting, the value of any pension is offset against the other assets. So you'd keep your pension and in return, your ex-partner would receive a greater share of the other assets. The pension savings are valued as a lump sum value in today's terms.

Offsetting isn't possible if there isn’t enough non-pension assets.

Earmarking

Earmarking (also called a 'pensions attachment order') works by allowing the partner without the pension to receive income and/or lump sum payments from it in the future. The pension savings are said to be 'earmarked' for their benefit.

The court can also order that some or all of any survivor pension and/or lump sum death benefits must be paid to the other partner if the pension scheme member dies.

There are some disadvantages to earmarking if you're the one without the pension:

- You must wait until your ex-partner retires or dies to receive your earmarked benefits.
- You'll have no control over the investment decisions your ex-partner takes.
- If your ex-partner retires early or stops contributing to the pension, you may receive less than you expected.
- If you re-marry or your ex-partner dies, you may lose your right to a future pension.
- The original pension scheme member still pays tax on the whole pension income paid by the scheme, even if some of the income is received by their partner. The person with the pension earmarked for them pays no further tax, but the income will have already been taxed at their ex-partner's rate of tax, which may be higher than theirs.

Pension sharing

Pension sharing works by splitting the pension savings at the time of the divorce.

The partner without the pension receives a share of the pension savings which are transferred into their name. The partner gaining the pension savings gets a 'pension credit' and the partner losing pension savings gets a 'pension debit'.

In some cases, the partner receiving the pension credit will be able to choose whether to keep their pension in the existing scheme or whether to transfer it to a new pension. But some pension schemes may not offer both options.

Pension sharing achieves what’s known as a 'clean break'. Both you and your partner will know at the time of divorce how much of the pension you'll receive or keep. Death or remarriage of either one of you has no effect on the sharing order.

Pension sharing achieves what’s known as a 'clean break'. Both you and your partner will know at the time of divorce how much of the pension you'll receive or keep. Death or remarriage of either one of you has no effect on the sharing order.

You'd both pay tax on the pension income you receive from your share of the pension at your own rate of tax.

State Pensions and divorce

Your basic State Pension can't be shared if you divorce. However, under the current rules, if one of you has paid enough National Insurance contributions, this could increase the State Pension the other gets, providing they don't remarry or enter a civil partnership before they reach their State Pension age.

If you have an additional State Pension, you may have to share this with your ex-partner. But if they later remarry or enter a civil partnership, they could lose this right.

From 6 April 2016 onwards, neither the old basic State Pension nor the new State Pension can be shared. But if you get divorced and the court issues a 'pension sharing order' you or your ex-partner may have to share any extra State Pension entitlement you've built up, such as an additional State Pension or any protected payment.

You should always take financial advice if your divorce involves dividing pension rights as this is a complicated area.

Saving into a pension and tax relief

Saving into a pension and taking advantage of tax relief can be extremely rewarding.

What is tax relief?

When you save money into your pension, the government tops it up in the form of tax relief. This means that some of the money you've paid in tax goes into your pension instead – money you'd miss out on if you don't save into a pension.

The idea is the money you save into your pension is taxed as income when you earn it – the government simply gives you that tax back by adding it to your pension.

How it works

Let's say you want to save £100 into your pension. When you earned that £100 – assuming you're a basic rate taxpayer – you had to hand over £20 of it in income tax. So in order to put £100 into your pension, you'll only need to contribute £80, as the government will add the £20 it took in income tax to your pension to make it up to £100.

If you're a higher rate taxpayer, you'll get tax relief at 40% (be aware that this rate is for England, Wales and Northern Ireland, as Scotland sets its own income tax rates and thresholds). However, in this case, you may only get tax relief at the basic rate paid into your pension automatically and you may have to claim back the difference via your self-assessment tax return.

Your tax relief is added to your pension immediately, so it can grow alongside the rest of your pension savings. Plus, any growth in your pension investments is tax-free.

Tax relief doesn't just help long-term pension savings, it can also be a real bonus for anyone approaching retirement age. If you want to do some last-minute saving, you can still put money into your pension and get an immediate uplift thanks to tax relief at the basic rate. While money you take from your pension is taxed as income, you can take 25% of your pension savings tax-free once you're over age 55, meaning a pension can be an incredibly tax-efficient savings vehicle for later life.

As with all investments, the value of your pension may fall as well as rise and you may get back less than you paid in.

Don't forget about the limits

With such generous tax benefits, there are limits on how much tax relief you can enjoy. Each year you can put the equivalent of 100% of your annual income or £3,600, whichever is higher, into your pension and claim tax relief. When we talk about a year, we mean a tax year, which runs from 6 April one year to 5 April the following year, rather than a calendar year.

When working out how much tax relief you're entitled to, your income can include:

- Employment income
- Self-employed income
- Certain redundancy payments (including salary in place of notice, outstanding salary payments and holiday pay)

Income from investments you may have doesn't count towards your income. Also, if you work for yourself and have a limited company, dividend payments don't count either.

Under pension rules, the lump sum allowance (LSA) limits the amount of tax-free cash you can access from your pension plan. Normally 25% of the benefits you take can be paid tax-free, with an overall maximum limit of £268,275. Payments above this are subject to tax at your marginal rate of income tax. You may have protection that allows you to take more than this - your policy documents will tell you if this is the case.

The total of all tax-free lump sums, including tax-free death benefits and serious ill-health benefits, will be tested against a lifetime limit, set at £1,073,100. Any lump sums paid above this level will be taxed at the individual's or beneficiaries' marginal rate of income tax. This is known as the lump sum and death benefit allowance (LSDBA).

Tax relief after you retire

You can continue to save into a pension even after you retire, up to the age of 75, and still get tax relief. However, once you've taken money from your defined contribution pension, the maximum you can contribute to your pension reduces to £4,000 each year. This lower limit of £4,000 doesn't apply if you only take out your tax-free cash or in certain other circumstances.

How tax relief is paid

If you're saving into a workplace pension, there are two different ways that tax relief from the government can be paid. It's useful to know which system your employer uses so you can understand how it all works.

Relief at source

This is where your employer takes tax and National Insurance from your pay, deducts 80% of the pension contributions you've agreed to make, and adds them into your pension. When the pension provider receives your contribution, they add tax relief at the basic rate of tax (the other 20%). If you're a higher rate taxpayer, you have to claim back the additional tax relief through your self-assessment tax return or by contacting HM Revenue and Customs (HMRC). This system is generally used for personal pensions.

Net pay arrangement

This is where your employer takes your pension contribution before you've paid tax or National Insurance. This means that you pay less tax overall, which is how you receive the tax relief. The advantage of this arrangement is that you receive tax relief at the same rate as you pay tax. So if you're a higher rate taxpayer, you'll receive tax relief at the higher rate, without you having to claim it from HMRC. The disadvantage is that if you earn over £10,000, but under the personal allowance, which is £12,570 in the 2024/25 tax year, you won't receive any tax relief.

You should speak to your employer if you don't know which type of tax relief arrangement they have.

With an annual limit of £40,000 each year that you could potentially save into your pension, that means there's up to £8,000 of tax relief up for grabs yearly for basic rate taxpayers – and even more for higher and additional rate taxpayers. So saving into a pension can be very rewarding.

Your guide to ProfitShare

We believe our customers should share in our success. So when we do well, we'll aim to boost eligible customers' pension savings by adding a share of our profits to their plans each year. We call this ProfitShare.

Our latest ProfitShare award

We were delighted to award ProfitShare for the ninth year running, in April 2025.

- We shared **£181 million*** of our profits with eligible customers.
- Over **2 million** eligible customers received an award.
- We increased eligible unit-linked customers' pension savings by **0.15%**.

*This is based on year end 2024 and includes awards made to With Profits customers. These customers received a 1.2% enhancement in 2025.

Nine years of ProfitShare

Since 2017, we've shared over £1.3 billion of our profits with eligible customers.

The ProfitShare amounts shown in the table below include awards made to With Profits customers. Remember that ProfitShare isn't guaranteed. However, once we've awarded ProfitShare, we'll never ask for it back.

	ProfitShare award	ProfitShare rate
2025	£181m	0.15%
2024	£163m	0.15%
2023	£155m	0.15%
2022	£169m	0.15%
2021	£146m	0.15%
2020	£140m	0.15%
2019	£150m	0.18%
2018	£142m	0.18%
2017	£114m	0.18%

How ProfitShare works

We'll review our financial position and performance at the end of each year.

We'll work out if we can award ProfitShare.

We'll add your award to a separate ProfitShare account within your plan.

You'll see the value of your ProfitShare account in your yearly statement, by logging into our online service or by downloading our mobile app.

You can take the value of your ProfitShare account with the rest of your pension savings any time after age 55. This will increase to age 57 from 6 April 2028.

- ProfitShare awards will be based on the value of the pension savings you have invested with us on the date they're awarded.
- Since 2017, we've boosted the pension savings of our unit-linked pension customers between 0.15% and 0.18%. You could get more or less than this and there's no guarantee that we'll be able to award ProfitShare every year.
- ProfitShare awards will be applied as at 1 April each year. Ordinarily, your plan must be in force on 31 December of the previous year.

To qualify for an award in April 2026, your plan must be in force on or before Wednesday 31 December 2025.

- ProfitShare doesn't count as a contribution, so doesn't affect your annual allowance and the contributions you can make to your plan each year.
- ProfitShare awards will be invested in the same investment choice as your other pension savings.

Introducing Harry

To give you an idea of the difference ProfitShare could make, let's introduce you to Harry.

Harry has just joined his employer's pension plan.

- He's aged 30
- He's decided to contribute £230 each month
- He'll transfer £25,000 from a previous pension into his employer's pension plan
- He wants to retire at age 65

The pension savings Harry's able to build up by age 65 depends on how his chosen investments grow each year, as shown in the example opposite.

Harry's projected fund value at age 65

These figures aren't guaranteed and are just an example. Harry could get more or less than this.

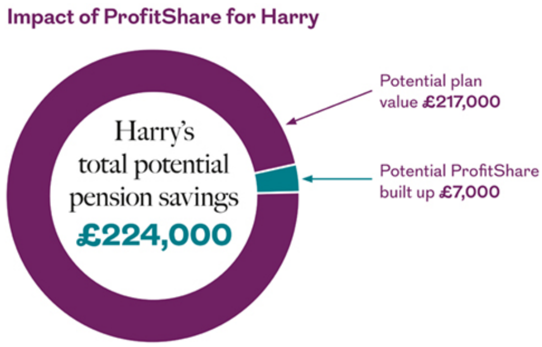
We've assumed he'll increase his pension contributions in line with inflation each year and that he'll contribute until he retires at age 65.

We've also assumed we'll apply a yearly management charge of 1% to all his pension savings.

We've assumed that inflation will reduce the buying power of Harry's pension savings by 2% each year. We've allowed for this by reducing the growth rate to 2.8%. This should give a more realistic view of what Harry could buy with his plan if his retirement income was payable today.

Let's assume Harry benefits from a ProfitShare award equal to 0.15% of the value of his plan each year. Let's also assume the value of his investments grow by 2.8% each year.

Impact of ProfitShare for Harry



These figures show that, over time, ProfitShare could increase Harry's pension savings from £217,000 to £224,000, giving him an extra £7,000.

You should remember that this is only an example, ProfitShare and investment returns are never guaranteed. This means that while there's a chance your pension savings could grow, they could also fall in value. So you could get back less than you started with.

Find out more about ProfitShare at **royallondon.com/ProfitShare**

How to spot and avoid scams

There's been a worrying increase in the number of scams since the coronavirus pandemic first hit last year. Here's some tips on how to help you spot and avoid them.

How to spot a scam

Scammers are always coming up with new ways of tricking people. Although the scams vary, there are some things they have in common. Here are some of the main scams, and tips from the financial regulator, the Financial Conduct Authority (FCA), on how to avoid them.

Pension scams

Be wary of fraudsters who claim they can help you access your pension before age 55. If you do, you'll incur massive tax charges of 55% of your pension savings in addition to the scammers' fees, which could be up to 30% of the value of your pension savings. In some cases, you could lose all your money. There are only very limited circumstances when you can legitimately access your pension savings before age 55, such as if you're in serious ill-health.

You should also watch out for offers of free pension reviews which come out of the blue and offers to help you move your money to a safe haven. Your money will be invested in high-risk and unregulated investments or could disappear altogether.

Pension cold calls are illegal so if you get one, just hang up – it's a sure sign that it's a scam. Ignore any offers you get via email, text or online adverts too.

Before making any changes to your pension, check that any firm you deal with appears on the FCA's Register then call the FCA's Consumer Helpline on **0800 111 6768** to check the firm's allowed to give pension advice.

Advance loan fee fraud

This scam involves being asked for an upfront fee in order to get accepted for a loan. The fee can be between £25 and £450 and you may be asked to pay it by bank transfer, Western Union or even iTunes vouchers. No matter how much you pay, the loan never materialises.

Warning signs to look for include being contacted by text or email out of the blue, or being put under pressure to pay the fee quickly. You can protect yourself by checking that the firm that asks for an upfront payment is authorised by the FCA by simply typing the firm's name into the FCA's Register.

Universal Credit scams

Fraudsters have been targeting people who receive Universal Credit by claiming to offer government loans and grants linked to the benefit. Their aim is to steal your personal or bank details.

Remember that the government will never ask for personal or bank details over text or email, so if you receive something like this, the best advice is to ignore it.

Good cause scams

Criminals have also been targeting people with a number of scam emails asking for donations to good causes. For example, one convincing-looking email pretends to be from the government, and asks for money for the NHS. Others appear to come from an organisation that claims donations will go towards the production of hand sanitiser or protective equipment for the NHS.

To avoid being scammed, don't download attachments or click on links in emails unless you're sure who sent them. Even if the email's from an organisation you know, if the email itself is unexpected or asks you to click on a link, it could be a scam. That's especially true if it asks for personal or financial information. Your bank will never ask you for personal information in an email.

You can reduce the risk of being scammed by only donating to legitimate charities. You can search for a registered charity in England and Wales on the Gov.uk website charity register. If you're in Scotland, check the Scottish Charity Regulator's website. In Northern Ireland, it's the Charity Commission for Northern Ireland.

Number spoofing scams

Number spoofing is where a scammer sends a text message that looks like it's come from a genuine organisation, such as the government, HM Revenue and Customs (HMRC) or your bank. These scams are very hard to spot, especially as the messages will sometimes appear in a chain of otherwise genuine text messages. The best advice is not to click on any link in a text that appears to come from a legitimate source. HMRC doesn't issue tax rebates by text, and banks don't ask for personal information this way.

Clone firm scams

This is where scammers pretend to be from an FCA-authorised firm to try and convince you they're genuine. A firm needs to be authorised by the Financial Conduct Authority to sell, promote or advise on the sale of shares or investments (including pensions) in the UK.

These fraudsters set up websites that use names similar to those of legitimate firms, and typically cold-call you to promote worthless or non-existent shares, property or investment opportunities.

Protect yourself by checking the FCA Register to see if the firm is authorised. Always access the FCA's Register directly from register.fca.org.uk rather than from any links sent to you by the firm itself.

The FCA also recommends using the switchboard number given on the FCA Register to call the firm back rather than the one the firm gives you. If the firm claims the number on the register is out of date, contact the FCA's Consumer Helpline on **0800 111 6768**.

Lookalike websites

Scammers are advertising websites that offer debt advice which have very similar names to the genuine services and charities. They're not illegal, but you could end up paying for debt advice that you could get for free. And you may end up sharing your personal details with a company you don't know anything about.

If you're visiting a website to get debt advice, always check the website address to make sure you're not clicking on a 'lookalike' site by mistake.

Cold call and doorstep scams

Not all scams are online or over the phone. To avoid being scammed, ask to see the identity badge of anyone who comes to your door and claims to be from a company or organisation.

If you're not 100% comfortable, don't let them in, and don't give away financial information (such as your bank account details) either.

Is your pension protected?

While it's rare for people to lose their pension, or get less than expected, it's good to know what protection's in place if things go wrong.

Is your pension safe?

You may see newspaper headlines covering stories of people who've lost their pensions, or not got what they expected, so it would be easy to imagine that this was quite common.

In reality, the vast majority of people get their pensions paid as expected and without any problems. So what's the reality about your pension – is it safe, and what happens if things go wrong?

The answer depends first of all, on what type of pension you have.

Protection for defined contribution pensions

A defined contribution (DC) pension is a type of pension where you (and your employer), save for your future. The money you put into a defined contribution pension is invested throughout your working life to help it grow.

Where a DC pension is provided by a big financial institution like Royal London, there are strict rules to make sure that the pension provider has enough money to keep trading through the ups and downs of the economy. This helps to make sure that the company you've saved with is still there when you retire.

Other DC pensions may be saved through large industry-wide Master Trusts, and the government has tightened the rules to make sure that these trusts also have enough money to operate on an ongoing basis.

If things go wrong with pensions and investments, there's a Financial Services Compensation Scheme. You can find out more about what it does and what it covers on their website at www.fscs.org.uk

Things to consider

In the past, many people worked for companies who offered a salary-related or 'defined benefit' (DB) pension. Although relatively few people are still building up pension savings in this type of pension, millions of people have DB pensions from past or present employment. For as long as the employer's still around and contributing to the pension, those pensions will continue to be paid.

You may hear about DB pension schemes being in deficit. This is what happens when the cost of providing the pension is bigger than expected (perhaps because we're living longer on average), or because the money in the pension fund hasn't done as well as expected (perhaps because rates of return have fallen).

In this case, the trustees of the pension scheme and the employer have to agree something called a 'recovery plan' to deal with the shortfall over a period of years. Provided this all goes to plan, there will be enough money in the pension scheme to pay all the pensions.

However, sometimes an employer will go bust at a time when there's a shortfall in the pension fund. If this happens, there's a safety net scheme known as the Pension Protection Fund (PPF). This is funded through a charge on all the companies who run DB pension schemes. The PPF takes over all the assets of the pension fund of a company that's gone bust and then pays out pensions, in the form of compensation, according to its own rules.

Broadly speaking, it pays out 90% of the pension you were expecting if the company goes bust when you're under pension age, and 100% of the pension if this happens when you're older. The other main difference is that the PPF pays annual inflation increases in line with the legal minimum, which may be less generous than the rules of the scheme you were a member of.

Overall, the PPF provides a measure of reassurance for people in DB pension schemes. You can find out more by visiting their website at www.ppf.co.uk

Keeping an eye out for scammers

Sometimes when things go wrong with pensions, it's because people have chosen to invest their money themselves and have made poor decisions. There are many people looking to 'scam' savers out of their money by offering them apparently high rates of return, often involving investing overseas or putting all of your money into a single investment.

Even where such schemes are not outright scams, they can involve very high charges and offer very little protection if things go wrong. If you think you've been scammed, or want to know what to look out for, visit the Financial Conduct Authority's (FCA) Scamsmart website at www.fca.org.uk/scamsmart

Leaving your pension to loved ones when you die

Passing on your remaining pension savings can be a good way to help out loved ones when you die, but it's important to understand exactly how it works.

Pensions and your estate

If you're in the fortunate position of having more pension savings than you need to provide yourself with a comfortable level of retirement income, you might want to leave any remaining pension to your loved ones when you die.

Pensions aren't normally counted as part of your estate for inheritance tax purposes. This means if you leave your remaining pension savings to your family or other beneficiaries, at most, they'll pay their own marginal rate of income tax and in some circumstances, they won't have to pay any tax at all.

How it works if:

You're flexibly accessing your pension, or your pension savings are untouched

If you die before age 75, you can leave any money held in a personal pension or defined contribution pension run by your employer to your chosen beneficiaries, completely free of tax. If you die at age 75 or later, the money will be subject to income tax at your beneficiaries' marginal rate – the highest rate of income tax they pay.

You can nominate anyone, not just relations, to inherit your remaining pension savings that are already being used to flexibly access your savings via 'income drawdown'. This lets them take the money out in lump sums or as income, as and when they need it.

You belong to a defined benefit or final salary scheme

If you have a defined benefit (DB) or salary-related pension, the pension scheme will generally pay a pension to a surviving widow or widower. If you want the next generation to benefit from the value of your DB pension, there's the option to transfer your rights into a defined contribution arrangement. However, if the transfer value is more than £30,000, you're required to take financial advice, and the Financial Conduct Authority (FCA) recommends that you start from the assumption that giving up valuable DB benefits is unlikely to be in your best interests.

You've used your pension savings to buy an annuity

Most annuities stop paying income when you die. But some – joint, guaranteed period and capital protected annuities – are designed to continue paying out income, or to provide a lump sum after you die to a person chosen by you. If you've bought one of these three types of annuity, your beneficiary will pay no tax on the pension money they inherit if you die before age 75. But if you die aged 75 or older, they'll have to pay income tax at their marginal rate.

You have a State Pension

You can't pass on the right to your State Pension after your death. If you're receiving a State Pension, you may be able to pass the benefit on to your family as gifts. There are annual limits on how much you can give tax-free, so it's worth looking into.

Remember to consider tax

You can take 25% of your pension savings as tax-free cash once you reach age 55. You may have decided to leave this money untouched in your pension, with the idea of leaving it to your loved ones after your death. But if you die on or after your 75th birthday, all of your pension savings – including the 25% that you could have taken as tax-free cash – will be taxed at your beneficiary's marginal rate of income tax.

Recording your wishes

Royal London have created a When I'm gone list to help you record your funeral wishes and your personal and financial details in one place.

Making a will

A will is a legal document that sets out who will get what when you die. Having one avoids uncertainty, unnecessary expense and long legal delays that can occur if you don't have one.

Why have a will?

The main reason for writing a will is to set out how your money and possessions (your estate) are divided up when you die. If you die without a will (known as "dying intestate"), your estate will be distributed according to the rules on intestacy, which could be very different to your wishes.

A will ensures your estate goes to the people you want it to.

If you die without a will

If you die without a valid will, the intestacy rules apply. These set out who is entitled to inherit from your estate if you don't leave a legally valid will. The rules are designed to protect your family, but there are several potential problems:

- If you live with a partner but aren't married to them or in a civil partnership, they have no automatic right to your estate.
- Under the intestacy rules, your children are only those related to you by blood or legally adopted and not step-children.
- If you're separated from your spouse or civil partner but not divorced, they'll inherit some or all of your estate under the intestacy rules.
- Children inherit equally under the laws, regardless of their needs.
- Your assets may have to be sold so that your estate can be split among your heirs; this could mean your husband or wife having to move out of the home you live in.
- If you have no immediate family, distant relatives you've never met may inherit from you.
- If you have no living relatives, the state gets everything.

Who should have a will?

All adults should have a will, but it's particularly important once you own property, have children, start a business or have savings and investments. In England and Wales, anyone 18 or over can write a will. In Scotland, the minimum age is 12.

You can use a solicitor, professional will writer or online will writing service to write your will, or you can write your will yourself.

You need to be very careful if you decide to write your own will. It's easy to unwittingly make a mistake which makes it unclear or invalidates it. A solicitor can ensure your will is clear and legally valid and can also offer advice on how to make it tax-efficient by reducing any potential inheritance tax (IHT) bill.

How much does a will cost?

As a rough guide, expect to pay between £150 and £250 to have a simple will drawn up by a solicitor. For a more complex will, you may pay more. Costs can vary, so you should shop around and get a few quotes first.

If your affairs are simple, you could use a professional will writer. They tend to be cheaper than solicitors but aren't regulated in the same way. If you go down this route, make sure you choose one that's either a member of The Society of Will Writers or the Institute of Professional Willwriters.

Online will writing services are another option for simple wills and again cost less than using a solicitor. They vary in terms of what they offer, so make sure you understand what service you're getting. For example, some services will offer phone support and check your will before you sign it.

Charity and reduced-cost wills

Check to see if your employer or any trade union you're a member of, offers any special deals on will writing.

Alternatively, you could take advantage of one of the following schemes to help you get your will written, in exchange for a donation or bequest to charity.

- Will Aid month in the UK in November when solicitors agree to write your will for free in exchange for a donation to charity (suggested donation of £100 for a single will).
- Free Wills Month in the UK in March and October when solicitors write simple wills for free if you're over 55 and in exchange ask you to leave something in your will to charity.
- Will Relief Scotland in September when solicitors will write your will for free in exchange for a donation to one of the four Scottish charities it has linked up with, which are tackling poverty and injustice around the world.
- If you're a supporter of a charity, you may be able to get a simple will written for free through the National Free Wills Network, providing the charity is one of those signed up to the network. There's no obligation to leave a gift to the charity in your will, but most people do.

Changing your will

If you want to change your will, you can either make a new one (which will cancel any previous will you've made), or alter the existing one by adding what's known as a codicil.

You should review your will whenever your circumstances change, such as getting married or entering a civil partnership, getting divorced, having a baby, buying property, moving home or receiving an inheritance.

Storing your will

It's important to keep your will safe and to tell your executors where it is. You can file it at home, but make sure it's in a safe place away from the risk of theft, fire or water damage. If a solicitor draws up your will, they'll usually keep the original and send you a copy.

If you've written it yourself, you could store it with a bank (although not in a bank safety deposit box, as this is unlikely to be accessible to your executors), solicitor or private will storage facility for a fee. Alternatively, you could deposit it with the Probate Service (England and Wales only) for a small one-off charge.

Power of Attorney

A guide to the different types of Power of Attorney and why you might want one.

What is a Power of Attorney?

There may come a time when you no longer want or are able to make financial or other decisions for yourself. A Power of Attorney (POA) allows you to give one or more trusted friends or family members the legal authority to make decisions on your behalf.

The POA lists all the specific powers you wish these people (your attorneys) to have.

Why have a Power of Attorney?

A POA is not just for older and wealthier people – anyone can benefit from having one. You may never need a POA, but it's a good idea to have one just in case.

For example, if your health failed suddenly, or you had a serious accident and were unable to make decisions, having a POA in place would really help your relatives at a difficult time.

If you don't have a POA in place and you lose the ability to make your own decisions, your family or friends would have to go to court to get authority to make decisions on your behalf. This can be a costly, complicated and time consuming process. So it's easier if you've already set up a POA that can be used.

Power of Attorney in England and Wales

In England and Wales, there are two main types of POA:

- a property and financial affairs Lasting Power of Attorney and
- a health and welfare Lasting Power of Attorney.

The person who makes the Lasting Power of Attorney (LPA) is called the donor and those who act for them are called the attorneys.

Property and financial affairs

A property and financial affairs LPA covers all aspects of someone's financial wellbeing. An attorney could find themselves making or helping the donor to make decisions regarding their bills, savings and property. They could also find themselves managing the donor's bank accounts, making gifts on their behalf or even selling property.

The donor can choose when the property and financial LPA can be used and how. For example, you can give your attorney authority to start making decisions for you right away, at a particular time for a set period, or only once you're no longer able to make decisions yourself.

Heath and welfare

With a health and welfare LPA, the attorney makes or helps the donor to make decisions around how they're cared for. This could include anything from where they live, how they're cared for and day to day things, such as what they eat.

If you need extra support – for instance, carers to visit during the day – this would fall under the remit of a health and welfare LPA. Such arrangements can also contain information regarding whether you'd receive or reject particular types of treatment and the person acting as an attorney must ensure they understand your wishes. A health and welfare LPA only takes effect once you're no longer able to make decisions yourself.

How to make an LPA

There are three steps to making an LPA:

1. Choose your attorney/s. If someone agrees to be your attorney, they must keep records of all the important decisions they make for you.

2. Fill in the relevant forms and get them signed and properly witnessed.

3. Register your LPA and pay the registration fee.

You must have mental capacity at the time you set up the LPA and, to make sure no one has forced you into signing an LPA, when you complete the forms, you'll appoint a person to be a certificate provider. This is someone who confirms you know what you're signing and understand the powers it will give your attorneys.

As another safeguard, you can name people who should be informed when an application's made to register your LPA. These should be people who have your best interests at heart and who would speak up to object to the registration if they have any concerns.

You can either pay a solicitor to fill in the forms for you, complete the forms online yourself, download the forms and complete them by hand or ask for the forms to be sent to you by post.

An LPA can only be used once it's been registered with the Office of the Public Guardian. The donor or attorneys can apply to register the LPA (if the attorneys apply to register it, the donor will be notified and can object if they want to).

You have to pay a fee to register each LPA application, unless you receive certain state benefits. If you're on a low income (below £12,000) you only pay half the fee. If you think you may be entitled to a fee reduction or waiver, you'll need to complete form LPA120A.

It currently takes 8 to 10 weeks for the registration process to take place, providing no mistakes are made on the form.

Power of Attorney in Scotland

In Scotland, there are three main types of POA. These are:

- Continuing POA which allows your attorneys to make decisions for you about your money and/or property. This can include paying bills or managing your savings and investments or arranging repairs to your home or buying/selling property.

- Welfare POA which covers your health or personal welfare. This can include choosing where you live, what you eat and who you see, as well as what medical treatment you receive.

- Combined POA which allows your attorneys to make both financial and welfare decisions for you.

How to make a POA

- Choose your attorney/s – you can have as little as one attorney, up to as many as you choose. Your attorneys must confirm they're willing to act for you and keep records of their actions.
- Draft a POA (unlike in England and Wales, you can't just fill in the relevant forms). Most solicitors can help you do this and will give you legal advice. If you don't want to use a solicitor, other professionals can draft the POA for you. You can draw up your own POA if you want and some stationery shops sell POA packs which can be used. But if you do this, make sure you look at the guidance available on the Office of the Public Guardian website to avoid any costly mistakes.
- Have your POA properly witnessed. You'll need to be interviewed by either a solicitor or medical practitioner to assess that you fully understand what you're doing. If they're satisfied with this, they'll complete and sign a certificate confirming this.
- Register your POA with the Office of the Public Guardian (Scotland) and pay the registration fee (depending on your circumstances, you may be exempt). Your solicitor may do this for you, or you can do it yourself. It's likely to take more than 30 working days to process a postal application. If you submit the documents electronically, the process is often quicker.

Where to find out more

England and Wales

You can find out more about LPAs at:
GOV.UK Power of Attorney

You can use the government's online service to create your LPA at:
GOV.UK make an LPA

You can download the LPA forms to complete by hand at:
GOV.UK LPA forms

Find out about the role of an attorney at:
GOV.UK duties

To claim a reduction in the LPA registration fee:
GOV.UK fees

Scotland

You can find out more about POAs at:
Office of the Public Guardian Scotland or mygov.scot

To claim a reduction in the POA registration fee:
Office of the Public Guardian Scotland fee exemption