

A closer look at **Pension Portfolio**



Pensions | Pension Portfolio



THIS IS FOR FINANCIAL ADVISER USE ONLY AND SHOULDN'T BE RELIED UPON BY ANY OTHER PERSON.

Welcome.

We understand that your clients' needs and goals will often change as life unfolds.

That's why we've packed our personal pension full of flexibility. So you can tailor each plan to your clients' individual needs.

We call it Pension Portfolio.

We've written this brochure to give you a feel for who we are, what makes us different and why you should recommend Pension Portfolio for your clients.



What's inside

- 4** Get to know us
- 6** Introducing Pension Portfolio
- 7** Competitive charging structure
- 10** Our multi-asset solution
- 18** Flexible saving
- 20** Income drawdown facility
- 22** Retirement planning support
- 25** Comprehensive remuneration options
- 26** Excellent service
- 27** Sharing our profits

Get to know us

Established in 1861, Royal London is the largest mutual life, pensions and investment company in the UK.

What makes us different?

We're the UK's largest mutual life, pensions and investment company – and we're just as proud to be one of the remaining mutuals as we are to be one of the first.

When we were founded as a Friendly Society in 1861, our goal was to help people help themselves and we're still committed to working for our customers and to help make positive change.

As a customer owned business, when we do well, so do they. Some of our profits are shared with eligible customers. We also reinvest profits to develop new products and services that will benefit customers.

Your client will automatically become a member of Royal London when they take out a personal pension plan with us.

We know that people are demanding more from their financial providers than ever before, and we're committed to putting our customers and members first. Through things like our Annual General Meeting (AGM), ProfitShare and open lines of communication, we're always on the lookout for ways we can provide a higher level of service to customers and members.

Voting at our AGM

By voting at our AGM, our members can have a say in how our business is run.

A sense of belonging

Joining a mutual is a bit like entering a club, in the sense that we're all in it together.

Our financial strength

As the UK's largest mutual life, pensions and investment company, we offer our customers firm foundations of financial security.

With financial strength that's rated 'very strong'¹, you can be confident we'll be around for the long term.

¹ AKG Actuaries & Consultants Ltd, September 2023.

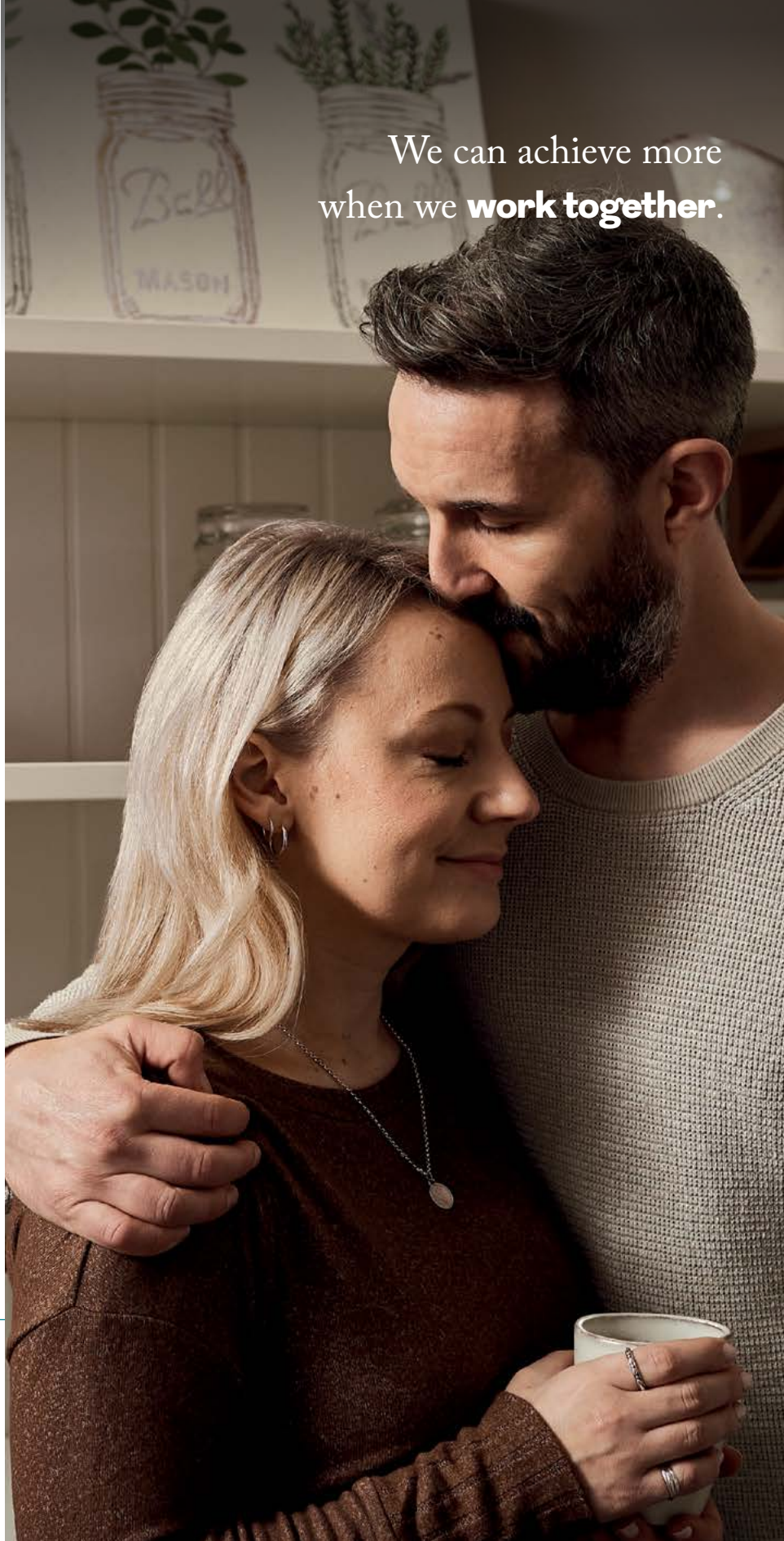
We can achieve more
when we **work together.**

Our purpose

Protecting today, investing in tomorrow. Together we are mutually responsible.

At Royal London we have a strong sense of our Purpose. We believe that we are mutually responsible for protecting the standard of living for this and future generations.

We are committed to playing our part in moving fairly to a sustainable world and helping build financial resilience.



Introducing Pension Portfolio

Pension Portfolio carefully blends a personal pension, an integrated drawdown facility and a range of investment options to suit your clients' needs.

Benefits of Pension Portfolio

For you	For your clients
<ul style="list-style-type: none">• Complete investment solution – Help your clients find the right solution with our wide range of investment options.• Integrated drawdown facility – move your clients seamlessly into drawdown – from within the same plan.• Comprehensive remuneration options – take your agreed adviser charge payments, direct from your client's plan.• Access to online service – use our clever tools to cut the time you spend on administration.• Retirement planning support – access support to make finding and recommending the right retirement option for your clients easier.• New business tracker – keep track of your new business pipeline, 24/7.• Dedicated new business consultant – get hands-on support from an experienced new business consultant, to set up your client's plan quickly and efficiently.	<ul style="list-style-type: none">• Discounted charges – we apply a discount to your client's annual management charge as the value of their pension savings grows.• Flexible saving – clients can pay in what they like, when they like, within certain limits.• Flexible retirement options – clients have freedom to take their pension savings in a way that suits them through our integrated drawdown facility, Income Release.• Access to online service – clients can use our online service to see how their plan is doing, make changes to their plan and get an idea of their potential income when they retire.• Sharing our profits – we'll aim to give your clients' pension savings an extra boost by adding a share of our profits to their plan each year. We call this ProfitShare.• Mobile app – clients can keep track of where their money's invested and access a range of articles on the latest investment topics.

Competitive charging structure

We'll reduce our annual management charge as the value of your client's pension savings grow.

Management charge discount

The table below shows the different discount rates and the levels they apply at.

Value of pension savings	Discount
£0 - £42,800	0.10% a year
£42,800 - £85,700	0.50% a year
£85,700 - £257,000	0.55% a year
£257,000 - £857,000	0.60% a year
£857,000+	0.65% a year

The levels at which the discounts apply increase each year in line with the Retail Prices Index (RPI).

If a client starts using Income Release, the discount may reduce. This is because the discount is based on the money that's still invested.

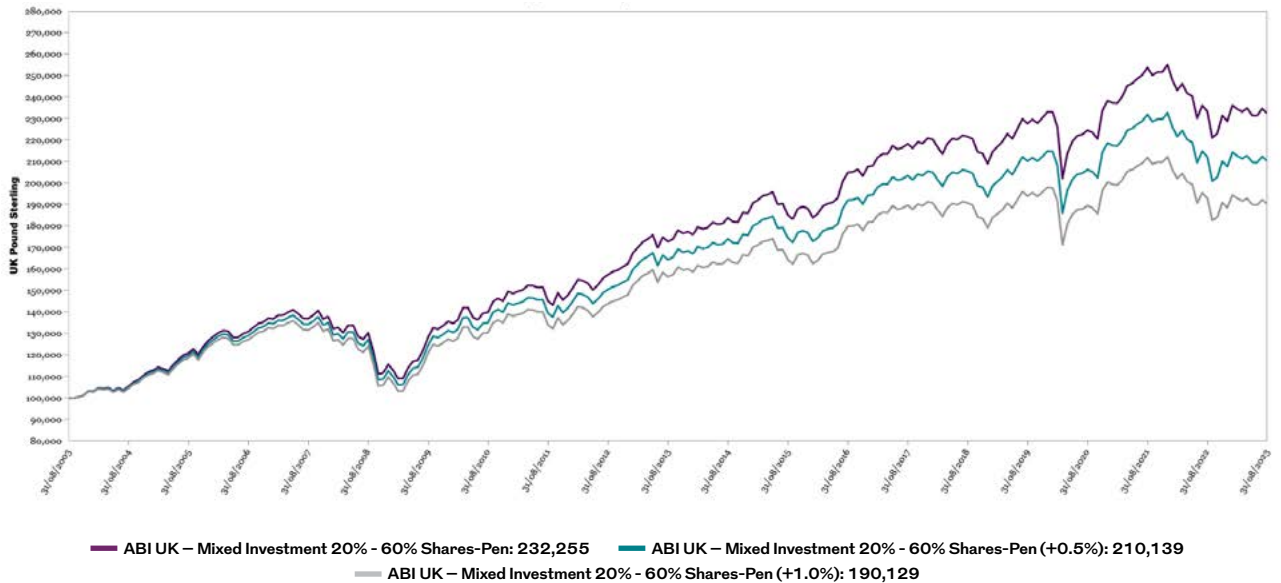
Additional investment charge

In addition to a range of funds managed by Royal London Asset Management, your clients can invest in a selection of funds from other investment managers. An additional investment charge is applied for the majority of these funds.

Impact of charges – accumulation

The chart below is designed to show what impact charges can have on your client’s pension savings during the accumulation phase of their pension plan.

It’s based on a client investing £100,000 in the ABI 20-60% Sector for 20 years and compares no charge, a 0.5% charge and a 1% charge on the impact of performance.



NO CHARGE	£232,255
+0.5%	-£22,116
+1.0%	-£42,126

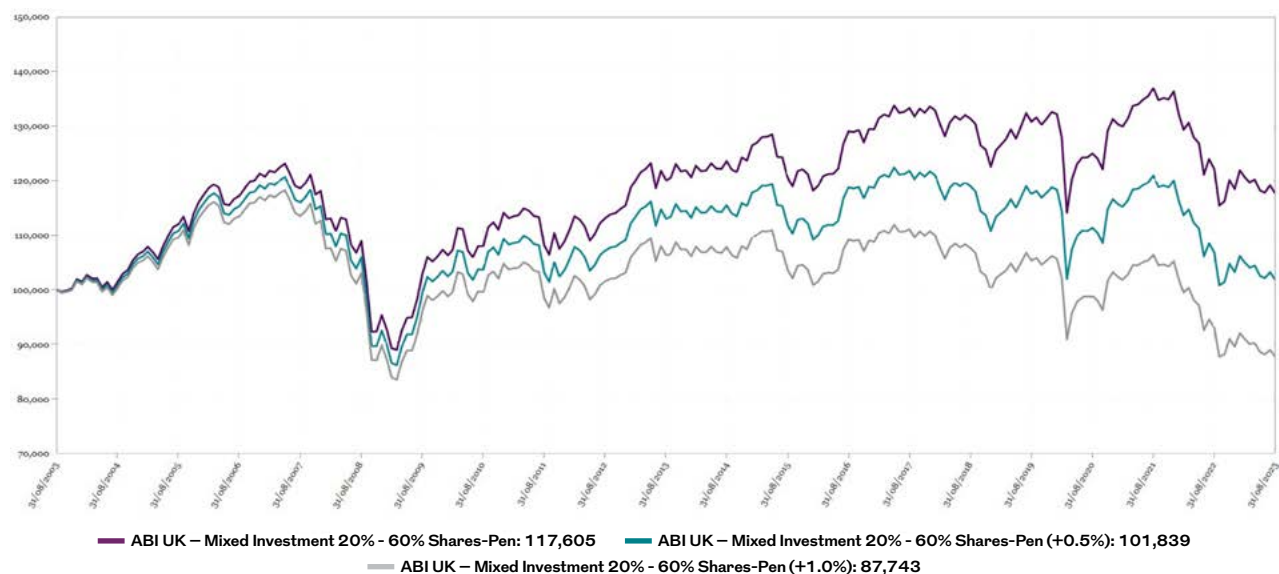
Source: Lipper, bid to bid, as at 31 August 2023.

Past performance isn't a guide to the future. Investments returns are never guaranteed. This means your client could get back less than what they paid in.

Impact of charges – decumulation

The chart below is designed to show what impact charges can have on your client’s pension savings during the income phase of their pension plan.

It’s based on a client investing £100,000 in the ABI 20-60% Sector for 20 years, who takes a yearly income of £4,000 and compares no charge, a 0.5% charge and a 1% charge on the impact of performance.



NO CHARGE	£117,605
+0.5%	-£15,767
+1.0%	-£29,862

Source: Lipper, bid to bid, as at 31 August 2023.
 Past performance isn't a guide to the future. Investments returns are never guaranteed.
 This means your client could get back less than what they paid in.

Our multi-asset solution

All our multi-asset portfolios come with active management, independently-led governance and responsible investment - at no extra cost.

Our flagship Governed Range consists of 14 risk-graded, multi-asset portfolios, designed exclusively for UK savers.

Each portfolio is actively managed by the Royal London Asset Management Multi Asset team, a team of highly experienced investment experts, including economists, strategists and fund managers, who look after £154.8 billion of funds across all major asset classes (as at 30 September 2023 subject to rounding).

Combined with ongoing oversight and governance from our Investment Advisory Committee (IAC), this active management includes regular rebalancing and tactical asset allocation changes, to ensure your clients' investments are performing as expected.

What's more, we integrate environmental, social and governance (ESG) factors into our investment decisions. So you can recommend an investment solution that aims to deliver positive risk-adjusted returns, while allowing your clients to invest their money responsibly.

Governed Portfolios

Launched on 12 January 2009, our Governed Portfolios are a range of nine portfolios for clients who are saving into a personal pension.

You can change the default equity fund from within our range.

Our Governed Portfolios are also available to invest in as stand-alone funds although the equity content of these funds can't be changed.

The Governed Portfolios are forward-looking and target a specific level of annual volatility. With input from Moody's, we select an asset allocation that's designed to maximise returns in line with an appropriate level of risk.

Fourteen years of volatility

When we measure risk and return for this purpose, we think about the real (after inflation) returns over 5, 10 or 15 years (depending on the portfolio).

Each quarter, we ask Moody's Analytics to use their stochastic modelling expertise to estimate the annual volatility of each of the portfolios in current market conditions. In the event that a portfolio's volatility is out with its target range, our IAC will review the strategic asset allocation to bring it back within the target range.

Investment choice	Target volatility range	
	Min	Max
Governed Portfolio 1	9.5%	11.6%
Governed Portfolio 2	7.7%	9.4%
Governed Portfolio 3	4.1%	5.0%
Governed Portfolio 4	11.3%	13.8%
Governed Portfolio 5	9.5%	11.6%
Governed Portfolio 6	5.9%	7.2%
Governed Portfolio 7	13.1%	16.0%
Governed Portfolio 8	11.3%	13.8%
Governed Portfolio 9	7.7%	9.4%

Strategic asset allocation

The table below shows the current strategic asset allocation for each of our Governed Portfolios.

	Cautious			Balanced			Adventurous		
	GP1	GP2	GP3	GP4	GP5	GP6	GP7	GP8	GP9
Equity	57.50%	42.50%	12.50%	70.00%	57.50%	32.50%	80.00%	70.00%	42.50%
Property	10.00%	10.00%	5.00%	12.50%	10.00%	7.50%	12.50%	12.50%	10.00%
Commodities	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Global High Yield Bonds	5.00%	5.00%	7.50%	2.50%	5.00%	5.00%	2.50%	2.50%	5.00%
UK Corporate Bonds	3.25%	5.00%	9.00%	1.50%	3.25%	6.25%	0.00%	1.50%	5.00%
Global Corporate Bonds	1.75%	2.50%	3.50%	0.50%	1.75%	2.50%	0.00%	0.50%	2.50%
Short Duration UK Corporate Bonds	2.50%	7.50%	12.50%	0.00%	2.50%	10.00%	0.00%	0.00%	7.50%
UK Index Linked	2.50%	2.50%	2.50%	1.00%	2.50%	2.50%	0.00%	1.00%	2.50%
Short Duration UK Index Linked	0.00%	0.75%	2.25%	0.00%	0.00%	1.50%	0.00%	0.00%	0.75%
Short Duration Global Index Linked	0.00%	1.75%	5.25%	0.00%	0.00%	3.50%	0.00%	0.00%	1.75%
UK Government Bonds	5.75%	5.75%	9.50%	1.50%	5.75%	6.75%	0.00%	1.50%	5.75%
Global Government Bonds	1.75%	1.75%	3.00%	0.50%	1.75%	2.00%	0.00%	0.50%	1.75%
Short Duration UK Government Bonds	0.00%	2.50%	10.00%	0.00%	0.00%	5.00%	0.00%	0.00%	2.50%
Absolute Return Strategies including Cash)	5.00%	7.50%	12.50%	5.00%	5.00%	10.00%	0.00%	5.00%	7.50%

Strategic asset allocation effective from April 2023.

Equity breakdown

The table below shows the equity breakdown of Governed Portfolio 5.

Fund	Style	Geography	%
Royal London UK Core Equity Tilt	Tracker	UK	16.86%
Royal London UK Equity	Active	UK	1.36%
Royal London UK Mid Cap Growth	Active	UK	0.74%
Royal London UK Dividend Growth	Active	UK	2.52%
RLP UK Mid Cap	Active	UK	0.04%
Royal London UK Smaller Companies	Active	UK	0.61%
Royal London UK Opportunities	Active	UK	0.79%
ICF FTSE 100 Index Future	Active	UK	2.70%
Royal London US Equity Tilt	Tracker	US	23.91%
CME S&P EMI Future	Active	US	9.38%
Royal London European Growth	Active	Europe	4.18%
Royal London Europe ex UK Equity Tilt	Tracker	Europe	1.82%
Royal London European Opportunities	Active	Europe	0.00%
EUX EUR STO 50	Active	Europe	0.51%
Royal London Asia Pacific ex Japan Equity Tilt	Tracker	Asia Pacific	2.88%
Royal London Japan Equity Tilt	Tracker	Asia Pacific	2.71%
HKG HAN SEN Index Future	Active	Asia Pacific	2.50%
Royal London Emerging Markets Equity Tracker	Tracker	Emerging Markets	9.65%
NYF MSC EMG	Active	Emerging Markets	0.44%
Royal London Global Diversified	Active	Global	9.56%
MSE S&P TSX 60 Future	Active	Global	1.14%
OSE TOP Index Future	Active	Global	-0.18%
SFE SPI 200 Future	Active	Global	0.00%
Cash Holdings	Active	Cash	5.87%

As at 31 July 2023.

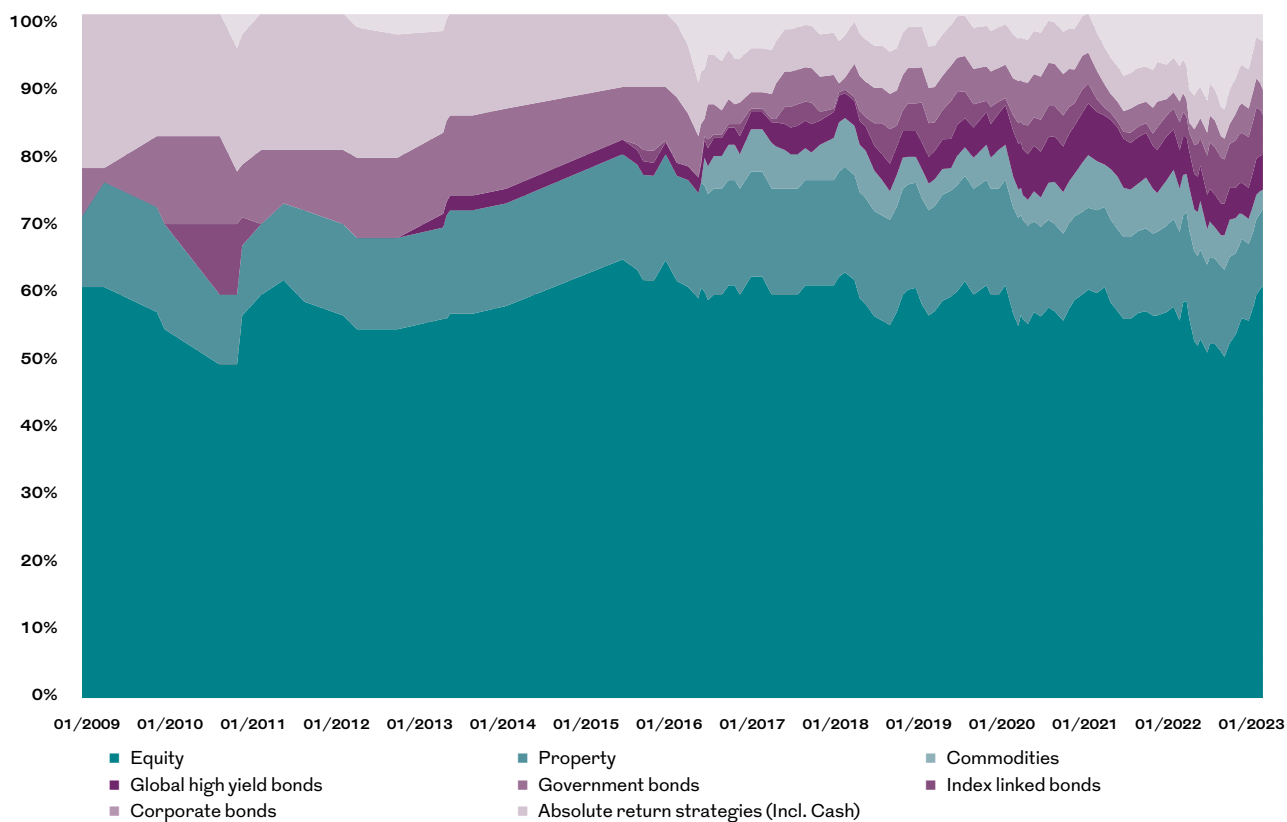
Fourteen years of tactical asset allocation – Governed Portfolio 5

In addition to strategic asset allocation, we apply a tactical overlay to the portfolios which are managed by the Multi Asset team at Royal London Asset Management. This is a robust and repeatable monthly asset allocation process, which takes shorter-term market movements into account.

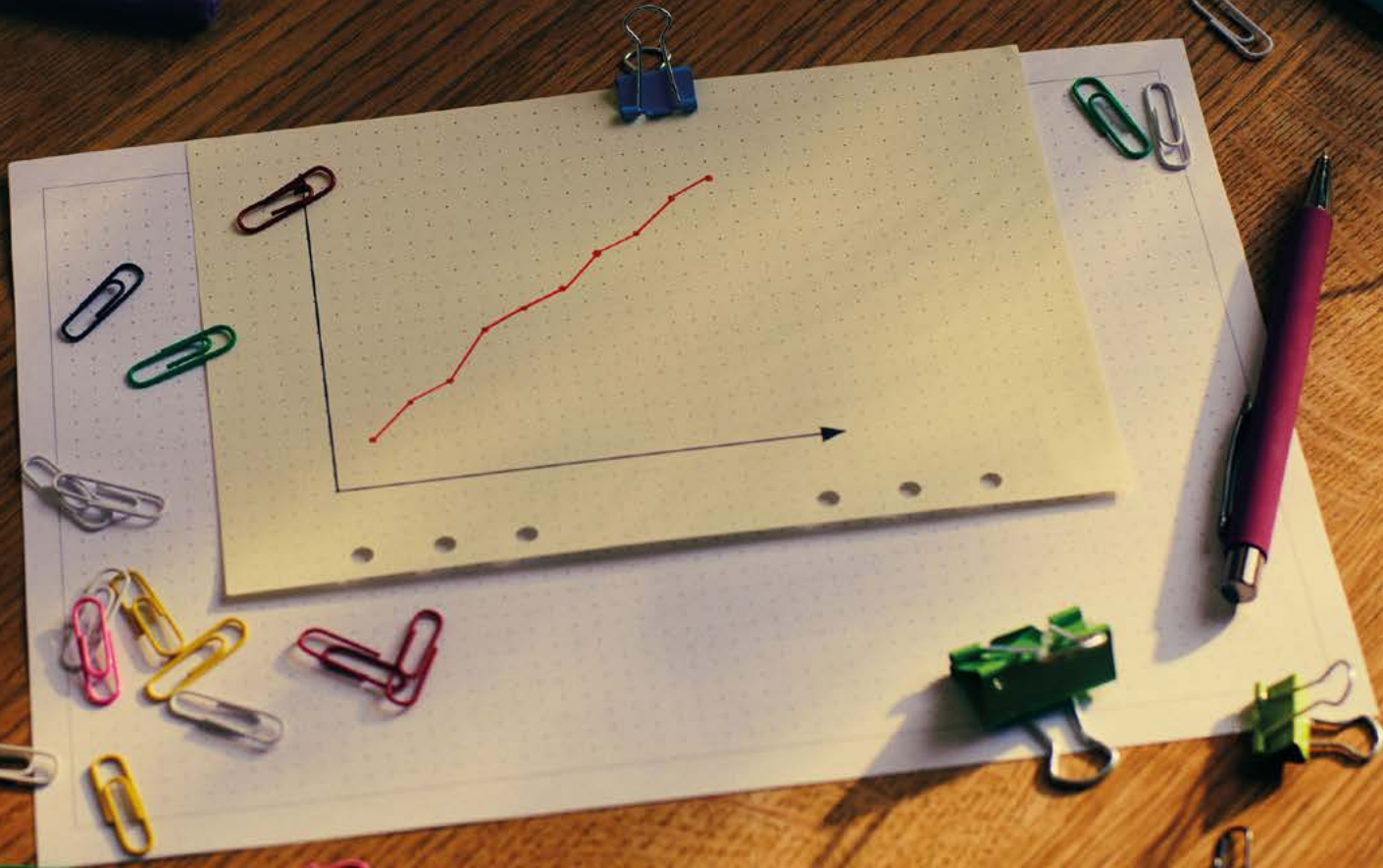
Our experts constantly monitor the economy, to exploit these market movements and steer the Governed Range

towards stronger growth, by tactically adjusting the asset allocation of each portfolio, within a risk-controlled framework. This is supported by additional oversight from the Investment Advisory Committee.

The table below shows how tactical asset allocation has changed the asset class split within Governed Portfolio 5 over 14 years.



Our experts **constantly monitor the economy**, to exploit market movements and steer the Governed Range towards stronger growth.



Governed Retirement Income Portfolios

Launched on 28 August 2012, our Governed Retirement Income Portfolios, or 'GRIPs' for short, are five multi asset portfolios, designed for clients looking to take a sustainable level of income from their pension savings.

They're also used as the end point for our Target Drawdown Lifestyle Strategies through our workplace pension products.

The GRIPs have been designed to be resilient and cope with challenging market conditions, while capturing market upside, and are well diversified across a mix of equities, high-yield bonds, corporate bonds, index-linked gilts, property and commodities.

Each GRIP has its own strategic asset allocation, which we model every quarter against a wide range of market scenarios, to help us understand expected risk and return metrics, and make sure that each portfolio takes an appropriate level of risk.

To do this, we focus on downside risk metrics and income sustainability, with the support of Moody's Analytics and their global expertise in stochastic modelling, as well as our IAC, who assess if any changes are needed.

Income sustainability

Income sustainability is one of the key performance metrics for the GRIPs. Simply put, this is the measure of how likely it is that a client's investment will meet their specific retirement needs.

We know that every client is different, so we aim to maximise sustainability across a range of income paths, by monitoring risk metrics that are focused on real income. One of the key risk metrics we model is downside risk, which allows us to understand how the GRIPs might perform in different market scenarios. We also monitor actual performance against our expectations, using a measure called 'maximum drawdown'. This helps make sure the GRIPs provide consistent performance and support regular income withdrawals across various market conditions.

Strategic asset allocation

Each GRIP is spread across different types of assets to make the portfolios more resilient to unexpected market shocks or inflation spikes. Current strategic asset allocations are shown below.

	GRIP1	GRIP2	GRIP3	GRIP4	GRIP5
Equity	12.50%	22.50%	30.00%	40.00%	50.00%
Property	5.00%	7.50%	7.50%	10.00%	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%	0.00%	0.00%
Short Duration Global Index Linked	3.50%	1.75%	1.75%	0.00%	0.00%
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%	0.00%	0.00%
Absolute Return Strategies (including Cash)	10.00%	10.00%	10.00%	10.00%	7.50%

Strategic asset allocation effective from April 2023.

Flexible saving

Your clients can pay in what they like, when they like, within certain limits.

Regular contributions

Clients can make regular monthly or yearly contributions.

These can be a fixed amount, change in line with your salary or increase each year in line with any increase in the Retail Prices Index, or at a set level between one and ten per cent.

Regular contributions will be made by Direct Debit.

The minimum regular contribution is £100 per month or £1,200 per year.

If your client makes a single contribution or transfer payment of £15,000 or more, the minimum regular contribution we'll accept reduces to £50 per month or £600 per year.

We can only set up one direct debit per plan, so if your client's employer wants to make regular contributions, we'll need to set up two separate plans.

Alternatively, the employer could include your client's contribution along with their own.

Freedom to change contributions

Clients can increase, decrease, stop and restart their contributions at any time. And whilst no further regular or single contributions can be made to their plan once they reach age 75, they can make transfers into their plan after this age.

Any changes to your client's contributions will impact the value of their pension savings. We'll continue to deduct charges from your client's plan, even when contributions are stopped, which will also impact the value of their pension savings.

Clients can **increase, decrease, stop and restart** their contributions at any time.



Income drawdown facility

Pension Portfolio lets you move your clients seamlessly into drawdown – from within the same plan.

Income options

Our Defaqto 5 Star rated drawdown facility, Income Release, provides a quality offering, with a range of tax-free cash and income options to suit your clients' needs.



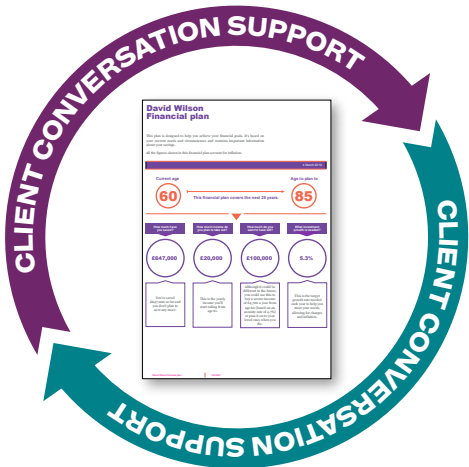
Income option	Available
Lump sum tax-free cash	✓
Lump sum tax-free cash + regular income payments	✓
Lump sum tax-free cash + one off income payments	✓
Regular tax free cash	✓
Regular tax free cash + taxable income payments	✓

Income Release at a glance

- Available to clients aged 55+ (57+ from 6 April 2028) with at least **£15,000** invested.
- We'll aim to pay tax-free cash into your client's bank account within **5 working days**.
- Our income management facility, **Income Tap** lets clients taking an income from their plan invest some of their pension savings in a low risk fund in order to make the income payments. This allows the remaining pension savings to be invested for longer term income and growth.
- Clients can decide when and exactly how much they want to take out of their plan.
- Income savings can be paid on a phased basis.
- Clients can continue making contributions after taking their pension savings. This is subject to the Money Purchase Annual Allowance.
- Full **range of investment options** available, excluding the with profits fund.

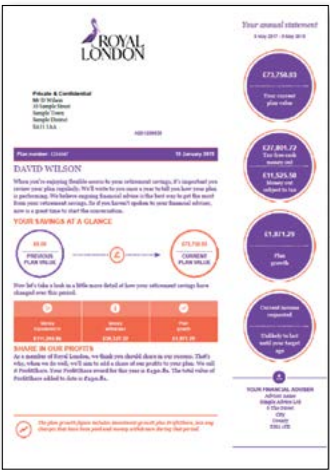
Retirement planning support

You can use our clear and simple communications alongside our range of tools and services to support and enrich your client conversations.



Financial planning tool

Create a financial plan to give your clients a full picture of their different sources of income and how their spending needs could change over time.



Annual statement

Our annual statement pulls out the key things customers tell us are important to them – and gives us a regular opportunity to encourage your clients to talk to you.



Client review

Create branded, visual reports that delve further into the performance of the plan and how the future might look.



Annual reports
 Annual reports which
 go to the year on year
 of their plan – and how
 to look for them.



Retirement engagement packs

In addition to the regulatory document, 5 years before your client's chosen retirement age, we'll send them a yearly update. This is designed to help them get to grips with all their options, while promoting the value of your services.



Drawdown governance service

For clients who are taking a regular income, you can create branded reports to help you track, discuss and manage the ongoing sustainability of their income.



Regulatory communications

Over and above our yearly updates, your clients will also receive some regulatory retirement communications from us.

The content of these is largely prescribed by the Financial Conduct Authority (FCA) and they aim to not only help your clients track the value of their pension savings, but also to draw their attention to any valuable features their plan might have, which could affect the decisions they make in future.

These packs start from age 50 and will continue every five years until your client has accessed all their money with us.

Mobile app

We know that more engaged clients can lead to better conversations. That's why our mobile app makes it easier for your clients to check in on their savings.

They'll see contributions that have been made to their plan, any tax-free cash and income they've taken, what their savings are worth now and how they've performed, any charges they've paid and what their pension savings could be worth when they retire.



Online service

You can use our online service to view and update client and plan information.

You can:	Your clients can access a wide variety of information, including:
<ul style="list-style-type: none"> • produce personalised illustrations • review your client's plan details • track new business • check your remuneration details • check fund performance • submit investment instructions. 	<ul style="list-style-type: none"> • general plan details • transaction histories • investment details • fund values and fund prices • fund factsheets (Core Investments only) • personal illustrations.

Comprehensive remuneration options

Once you've agreed a charge with your client, we'll automatically pay you directly from their savings.

Remuneration options

From initial charges to ongoing payments, we've layered your charging options with plenty of freedom and flexibility. So you can tailor the right structure for each client, whatever their specific needs might be.

Charges can be a monetary amount, a percentage of contributions or a percentage of your client's savings. You can also tell us exactly how it should be paid and for how long.

The different types of charges are summarised in the table below.

Contributions type	Charge type		
	Initial	Ongoing	Ad hoc
Regular contributions	Percentage up to a maximum of 75% of the first year's regular contributions*	Percentage of the contributions up to a maximum of 7.5% pa	
	Monetary amount up to a maximum of 75% of the first year's regular contributions*	Monetary amount up to a maximum of 7.5% pa	Monetary amount up to a maximum of 5% over a three year period**
		Percentage of fund up to a maximum of 1% pa	Percentage of fund up to a maximum of 5% over a three year period **
Single contributions & transfer payments	Percentage of the contribution up to a maximum of 7.5%		
	Monetary amount of the contribution up to a maximum of 7.5%	Monetary amount up to a maximum of 1% pa	Monetary amount up to a maximum of 5% over a three year period**
		Percentage of fund up to a maximum of 1% pa	Percentage of fund up to a maximum of 5% over a three year period **

* If the charge is spread over more than 12 months, the maximum rate is reduced on a sliding scale.

** Current and previous 2 renewal years.

Excellent service

We think your business deserves a named contact with a direct line to reach them on.

Hands-on support

When you work with us, you'll get your own Royal London consultant.

Whether it's boots on the ground or an ear to the phone, they're here to manage our relationship with you and make sure your business is getting the support it needs, whenever it needs it.

Count on our experience

We like to make sure all our consultants are given regular, intensive training to make sure they always know both our business and our market inside out.

So when you need to understand exactly how we can deliver the right solution for your client, we'll never ask you to dial a call centre or trawl our website.

All you need to do is pick up the phone and they'll be there.

Expect a clear line of sight

All our consultants work closely with their own new business contact.

So if you need an update on your client's application or want to find out when you'll be paid, you can be sure the chain that leads from your office to our systems will be direct and unbroken.

Experts at your fingertips

We all know how quickly the world can change around us. And keeping up to speed with exactly what those changes mean for your business and your clients can eat up your time.

That's why we employ a team of experts to make your life easier. When the government announce something new or tinker with something old, you can count on us to decipher it for you.

You can speak to our experts directly over the phone – or find all their regulatory and legislative updates neatly packaged in our regular newsletters, written specifically with the modern-day adviser in mind.

Deliver more online

Everything we do is underpinned by our online service, which has a wide range of useful tools and features.

In a few simple steps, you can create illustrations, manage investments and create reports to walk your clients through their plan's performance and future outlook.

And, if you ever feel you need to brush up on how to use our tools – or even find your way around a best advice system – we have a dedicated team ready to give you all the help you need.

Sharing our profits

As a mutual, our eligible customers share in our success – so when we do well, we'll aim to boost their pension savings. We call it ProfitShare.

How do your clients become members of Royal London?

If your clients take out a unit-linked pension plan with us, they'll automatically qualify for membership under the terms of our Articles of Association.

Our 2023 ProfitShare award

- We shared £155 million of our profits from 2022 with our members and customers. This includes awards made to with profits customers. These customers received a 1.2% enhancement in 2023.
- Around 2 million customers received a ProfitShare award.
- We boosted unit-linked customers' pension savings by 0.15%.

It's important to remember that ProfitShare is not guaranteed to be paid and the amount can vary.

To find out more about ProfitShare visit adviser.royallondon.com/profitshare



Royal London
royallondon.com

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

All of our printed products are produced on stock which is from FSC® certified forests.

The Royal London Mutual Insurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm is on the Financial Services Register, registration number 117672. It provides life assurance and pensions. Registered in England and Wales number 99064. Registered office: 80 Fenchurch Street, London, EC3M 4BY. Royal London Marketing Limited is authorised and regulated by the Financial Conduct Authority and introduces Royal London's customers to other insurance companies. The firm is on the Financial Services Register, registration number 302391. Registered in England and Wales number 4414137. Registered office: 80 Fenchurch Street, London, EC3M 4BY.