

Your with profits policy

Investment performance



Your policy is invested in the RL open fund within the Royal London Long-Term Fund. In this leaflet we call this ‘the with profits fund’.

What is the investment mix?

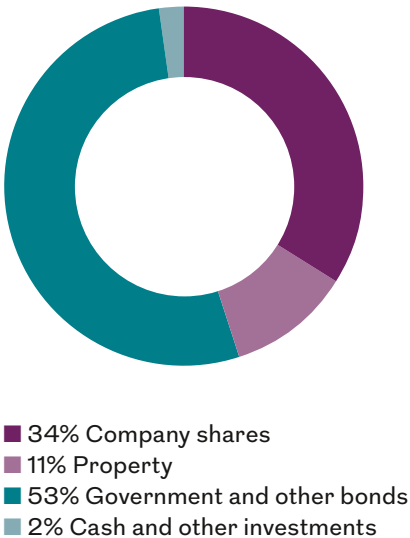
In managing the with profits fund, we aim to optimise the investment return for with profits policyholders whilst also protecting their guaranteed benefits within the with profits fund. We hold a wide range of assets to help reduce the risk that would arise if we invested in a single type of investment.

The charts below show the types of investments that asset shares have been invested in for the past two years.

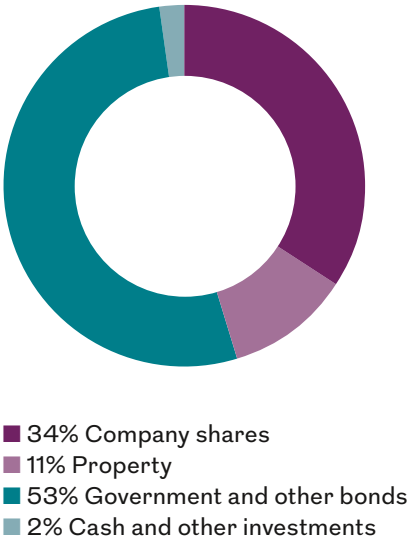
By asset share, we mean the build up of payments made into the with profits fund after taking off expenses, charges and tax and allowing for the profits and losses earned by the investments.

We monitor the investment mix on a regular basis to ensure that it remains appropriate.

Investment mix at 31.12.2025



Investment mix at 31.12.2024



What was the investment return for my policy for 2025?

The investment return applied to with profits policies in the with profits fund (before tax and charges) for 2025 was 9.8%.

The with profits fund investment portfolio has provided an overall positive return during 2025. The key source of growth was from company shares.

Due to the nature of your policy being with profits, we try to smooth out variations in investment returns year on year so that your policy is less affected by the ups and downs. Please refer to the next page to find out how your policy shares in these profits and losses.

We don't know what investment returns will be in the future; you shouldn't assume they'll be the same as they were in previous years. However, we believe that the investment mix is appropriate for the with profits fund in current economic conditions.



Investing responsibly

Driven by our Purpose, we look to act and invest responsibly. Visit royallondon.com/responsiblebusiness to find out more about our approach to investing responsibly, as well as our climate commitments, and our stewardship and sustainability reporting.

How do I share in the profits and losses of the with profits fund?

The performance of the with profits fund is shared out to its policyholders through a system of bonuses. There are two types of bonus which we may add to your policy:

- annual bonuses, which we may add during the lifetime of your policy and which increase the guaranteed amount payable when you take your guaranteed benefits, and
- final bonuses, which we may add when you cash in some or all of your policy. Final bonuses aren't guaranteed and may go up or down.

We have increased the annual bonus rate for 2026 to 0.65%. Your bonus rate includes 0.15% added as a result of ProfitShare this year. You can read more about this in the section headed 'Royal London ProfitShare'.

In certain situations, for example bad stock market conditions or after a long period of low investment returns, the value of the with profits units allocated to your policy may be higher than the policy's asset share. If this happens, we may reduce the value of your units when you cash them in. This reduction in value is called a market value reduction (MVR). We will only apply an MVR to ensure fair payouts to everyone invested in the with profits fund. If we don't do this, investors staying in the with profits fund will not get their fair share.

We will not apply an MVR to payments made on death.

Charges

A 1% p.a. annual management charge (AMC) is currently made to the asset share of your policy. This charge was set with the expectation that it would cover two elements:

- A 0.65% p.a. charge for the administration of your policy, and
- a charge of 0.35% p.a. for the cost of the investment guarantee.

We have the right to vary these charges, within limits, if costs are higher than expected.



Royal London ProfitShare

As a result of our good operating profits and continued strong capital position we have allocated a discretionary ProfitShare to all eligible with profits policyholders. We have applied this by enhancing the asset share of your policy by 1.2% for 2025. Other policies may receive different amounts of ProfitShare depending on the nature of the policy. As mentioned earlier, our approach to ProfitShare means that we have also given you an extra annual bonus of 0.15% this year.

We hope to award a similar level of ProfitShare next year and our business plan supports that. However, the current uncertainty in financial markets may affect the amount of profits we are able to earn and share with our customers. Rest assured that, whatever happens in 2026, we will do all we can to maintain your ProfitShare at an attractive level.



Where can I find out more information about the with profits fund?

You can view and download the following documents from our website **royallondon.com**:

- ‘Principles and Practices of Financial Management’ (PPFM) which is a technical document that explains the way in which we manage our with profits fund.
- ‘A guide to how we manage our with profits fund’ which is a plain English guide to the key points of the PPFM. This includes more information on asset shares and how we decide annual and final bonus rates. The version that covers your policy is ‘Guide 6’.
- The Directors’ report on compliance which is the most recent report about how we’ve complied with the PPFM.

To find these documents please visit **royallondon.com/PPFM**. If you’d like braille, large print or audio versions of these documents, you can ask us to send you copies by calling us on the phone number on the letter that accompanied this document.

Changes made to the PPFM

There have been a small number of updates made to the PPFM Practices to improve clarity.

**If you would like a copy of this
document in large print, braille
or audio, please call us on
0345 050 2020**



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