

# A closer look at **your investments**

Your Pension Annuity Policy review



**Pensions**



## Important information about your policy

### Where is my money invested?

Your savings, together with other with-profits policyholders' savings, are invested in the RLCIS OB & IB Fund (the Fund).

In managing the fund, we aim to optimise the investment return for with-profits policyholders whilst also protecting their guaranteed benefits within the 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 mix of investments as at 31 December 2025 is shown below.

Corporate Bonds	34%
Overseas Shares	29%
UK Government Bonds	11%
Property	11%
UK Shares	9%
Other	6%



Your Pension Annuity Policy is designed to provide you with an annuity (regular income) at the retirement date chosen when you took out your policy. The amount of this regular income depends, amongst other things, on interest rates at the time you retire.

But we guarantee that your regular income won't be below any minimum amounts set out in the terms of your policy, plus all annual bonuses we may have added, as long as you've paid all your pension contributions on time.

Changes in interest rates can affect the income you get when you retire. To reduce this risk, we use something called interest rate swaps. These swaps are a big part of the 'Other' category in the graph. They help keep your income stable, even if interest rates change. However, the value of these swaps can go up and down a lot, and this can affect other payments from your policy. This includes any tax-free lump sum money you get when you retire, or if you decide to move your pension somewhere else. These changes also affect the total amount of money you get when you retire, especially if you can take your entire pension as a lump sum.

We regularly monitor how swaps affect these cash payments and, where needed, we'll apply limits to make sure that payments don't vary too much from one year to the next.

## Investing responsibly

As the UK's largest mutual insurance and pension provider, we're committed to acting and investing responsibly. Visit [royallondon.com/about-us/our-purpose/responsible-business/sustainability-reporting](https://royallondon.com/about-us/our-purpose/responsible-business/sustainability-reporting) to find out more about our climate commitments and approach to responsible investment.

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

The benefits from your policy are in the form of a guaranteed annuity, together with bonuses which represent your share of the profits and losses of the fund. Your policy may also provide you with a guaranteed lump sum, plus 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 on retirement and
- **final bonuses**, which we may add when a retirement claim occurs.

## What bonuses have you set for 2025?

(Note: bonuses set in respect of 2025 are added to policies from April 2026.)

Your enclosed yearly statement shows you the current total annual bonuses we've added to your policy since you took it out, together with your guaranteed basic annuity. If your policy allows for a separate basic lump sum plus bonuses then these will also be shown.

## Distribution of estate

We aim to distribute the estate of the with-profits fund to relevant policyholders fairly over time. By 'estate', we mean the amount by which the investments of the with-profits fund are greater than the guaranteed benefits and bonuses already promised to policyholders. As in recent years, we have distributed some of the estate to policies that claim by declaring final bonus rates above what they otherwise would have been.

## Where can I find out more information about the RLCIS OB & IB fund?

We manage the fund in line with a technical document known as the **Principles and Practices of Financial Management (PPFM)**. We'll notify you of any important changes we make to the PPFM and the latest version will always be available on our website [royallondon.com/PPFM](http://royallondon.com/PPFM). The RLCIS OB & IB Fund PPFM is found towards the bottom of the page. On this page you can also find The Directors' report on compliance which is the most recent report about how we have complied with the PPFM.

## PPFM changes

There have been a small number of updates to PPFM Practices to refine our bonus setting methods and to improve clarity.

If you need more information contact our Customer Contact Centre

**0345 605 7777**

Monday to Friday 8am-6pm  
(excluding bank holidays)



**We are happy to provide your documents in alternative formats such as braille, large print and audio.**

**Please call us on 0345 605 7777. Lines open Monday to Friday 8am-6pm (excluding bank holidays).**



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