

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 of the with profits fund?

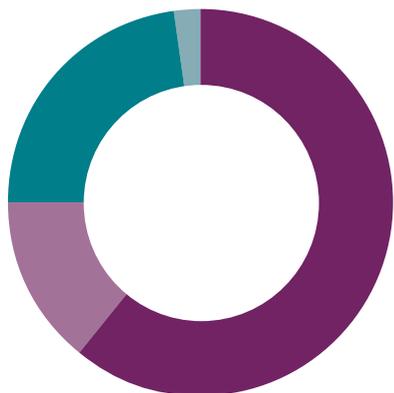
In managing the with profits fund, we aim to optimise the investment return for with profits policyholders whilst also protecting their guaranteed benefits within the with profits fund. We hold a wide range of assets to help reduce the risk that would arise if we invested in a single type of investment.

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.

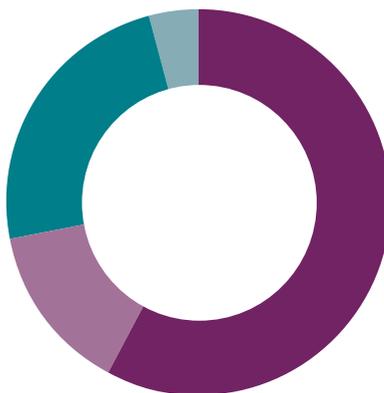
The investment returns from government bonds, other bonds and cash tend to vary less from year to year than the returns from company shares and property. However, over the longer term, the investment returns from government bonds, other bonds and cash tend to be lower than those from company shares and property.

Investment mix at 31.12.2025



- 61% Company shares
- 14% Property
- 23% Government and other bonds
- 2% Cash and other investments

Investment mix at 31.12.2024



- 58% Company shares
- 14% Property
- 24% Government and other bonds
- 4% Cash and other investments

What is the investment mix of my policy?

Regular contribution policies made paid up before 1 January 2010:

Your policy is invested entirely in government bonds, other bonds and cash. If your policy is 'paid up', it means that you can't pay any more contributions into it.

All other policies:

Your policy is invested in a wide range of assets including company shares, bonds, property and cash.



What was the investment return for my policy for 2025?

Regular contribution policies made paid up before 1 January 2010:

Your policy is invested entirely in government bonds, other bonds and cash. If your policy is 'paid-up', it means that you can't pay any more contributions into it. The investment return, before tax and charges, that we applied to the asset share of your policy for 2025 was 7.1%.

However, your policy has a guaranteed minimum benefit (the basic pension plus the annual bonuses we've already added). We think it is likely that your policy's guaranteed minimum benefit will be higher than its asset share at its pension date, regardless of investment returns between now and then. If this happens, the guaranteed minimum benefit will be the amount with which you can buy your pension benefits.

All other policies:

The total investment return applied to asset shares in the with profits fund (before taxes and charges) for 2025 was 11.8%.

The with profits fund's 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 section 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:

- regular 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 your policy ends. Final bonuses aren't guaranteed and may go up or down.

For 2025, we have increased the annual bonus by 0.5% for the majority of policies.

You can see on your enclosed pension statement whether we have added an annual bonus for 2025 to your policy.



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 2’.
- The Directors’ report on compliance which is the most recent report about how we’ve complied with the PPFM.

To find these documents 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 **0345 050 2020**.

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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