



# **Understanding your pension scheme's investments**

**Royal London's approach, performance and  
member support**

# Meet the presenters



**Lee Hanson**

**Employee Engagement  
Consultant**



**Gareth Trainor**

**Director of Investment  
Propositions**



**Sarah Yellowlees**

**Chief Product Officer**

# Today's webinar will cover

1. Our insights
2. Our investment options
3. What is Targeted Support
4. Ongoing support
5. Question & answers



# Our insights



# Employee engagement

## Who's checking where their pension is invested?



Source: Workplace pensions: How much is enough? 2025 Royal London report

# What matters to employers?

What are the important factors you would look for in a workplace pension provider?



Source: YouGov Employer Omnibus Study 2025

# Our investment options



# We invest based on purpose & beliefs



## Outcomes first

Clear, measurable customer outcomes guide how we design and evolve investment solutions.



## Governance track record

Our long-standing track record of independently led oversight and challenge of governed solutions helps ensure that they remain fit for purpose as markets evolve.



## Responsible investment approach

Embedding a responsible investment approach helps manage financial risks and grow the value of customers' long-term savings.



## Future-ready solutions

Markets, regulation and customer needs change – we build investment solutions that can evolve with them.



## The power of mutuality

Our focus is always on delivering value and good outcomes for customers.

**The Governed Range - £85bn of assets under management and 2.4m customers\***

\*As at 28 February 2026. The total assets under management of Royal London Asset Management are £199bn as at 31 December 2025.

# We offer choice for scheme members

Do it for me  
(default)

Balanced  
Lifestyle  
Strategy  
(Drawdown)

Investment  
pathways

Guide me  
(ready-made  
options)

Other lifestyle  
strategies:  
- 5 risk levels  
- Drawdown,  
annuity and cash  
targets

Governed  
Portfolios:  
- 7 risk-rated  
multi asset  
portfolios

GRIPs:  
- 5 retirement  
income-specific  
strategies

Leave it with me  
(let me choose)

Sustainable  
funds  
- 9 actively  
managed funds  
across risk  
spectrum

Full fund range  
- Over 100 funds  
managed by  
RLAM and  
external fund  
managers



# Our Governed workplace default

Default investment over £25bn  
Underpinned by flagship £85bn  
Governed Range

As at 28 February 2026

High growth potential

Customer behaviour-influenced de-risking

Income replacement rate in retirement

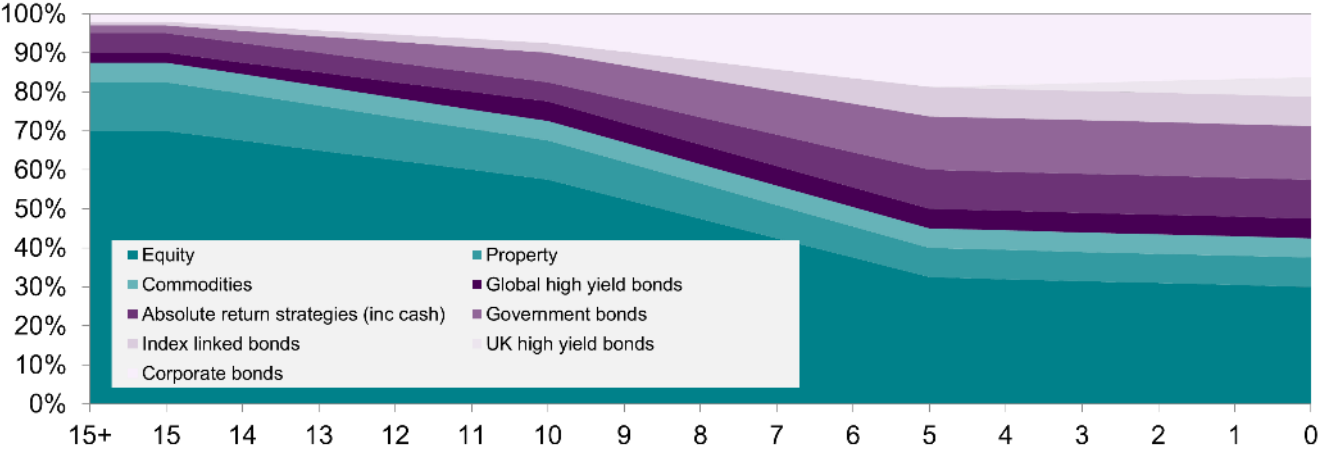
## Balanced Lifestyle Strategy (Target Drawdown)

### Highly diversified growth strategy

- High % in growth assets
- Active and passive strategies
- Tilt funds
- Real assets (including property and alternatives)
- Asset-backed securities
- Commodities
- High yield bonds

### 15-year glidepath

Providing mild de-risking for 'early access' members



### Drawdown end point

- “To and through” alignment to Investment Pathways 3 (Drawdown)
- Portfolio optimised for income withdrawal
- Retaining growth potential at and into retirement

### Alternatives

- Annuity and cash endpoints also available
- Engagement before retirement to align outcomes

### Underpinned by:

Responsible investment strategies

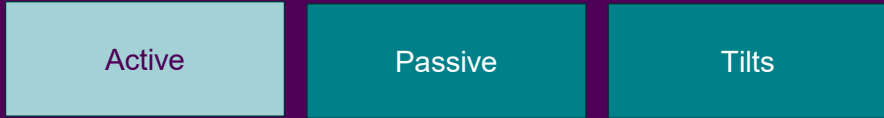
Robust governance

ProfitShare

# Benefitting from a premium investment strategy

Broad and deep investment capability

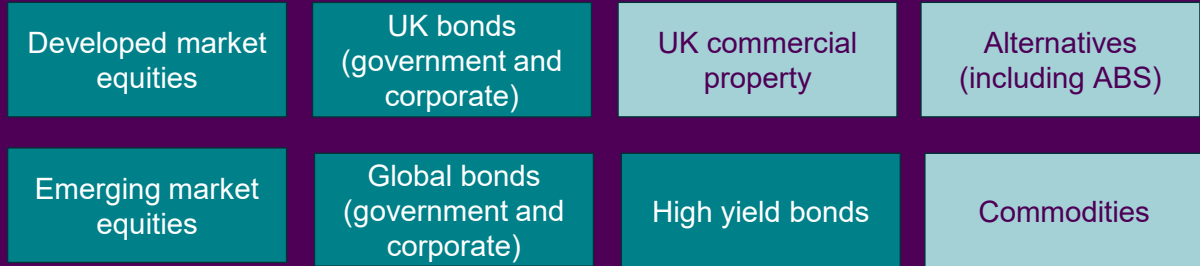
## Fund and strategy selection



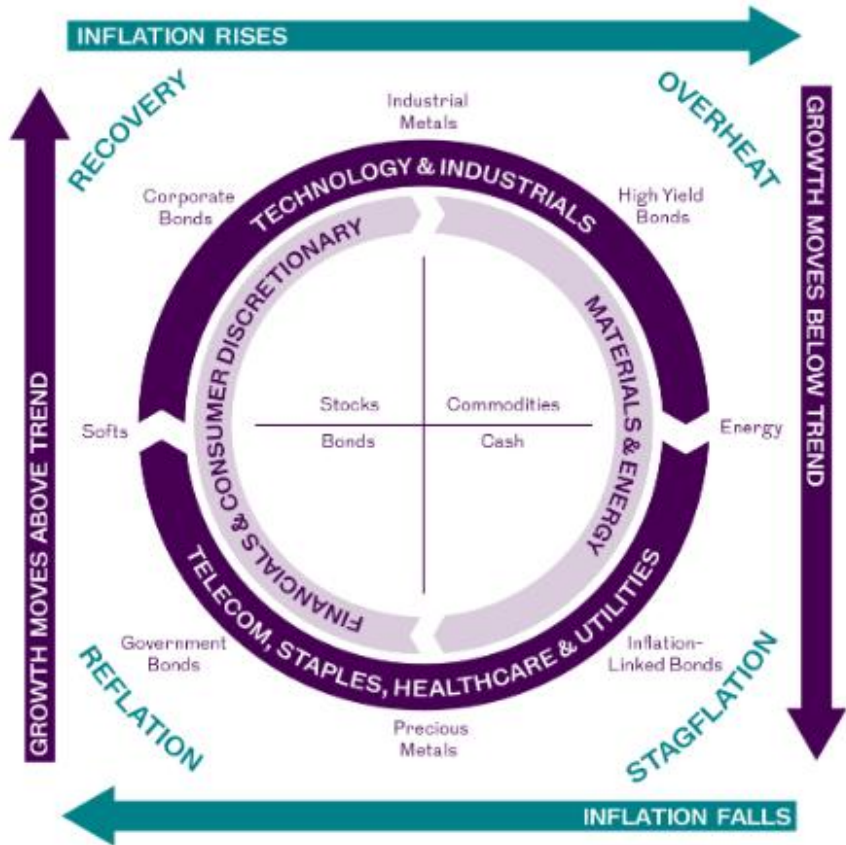
## Tactical asset allocation (TAA)



## Strategic asset allocation (SAA)



## Royal London Asset Management Multi Asset team 'Investment Clock'



# Ten years of diversification

Designed to help your employees build for retirement



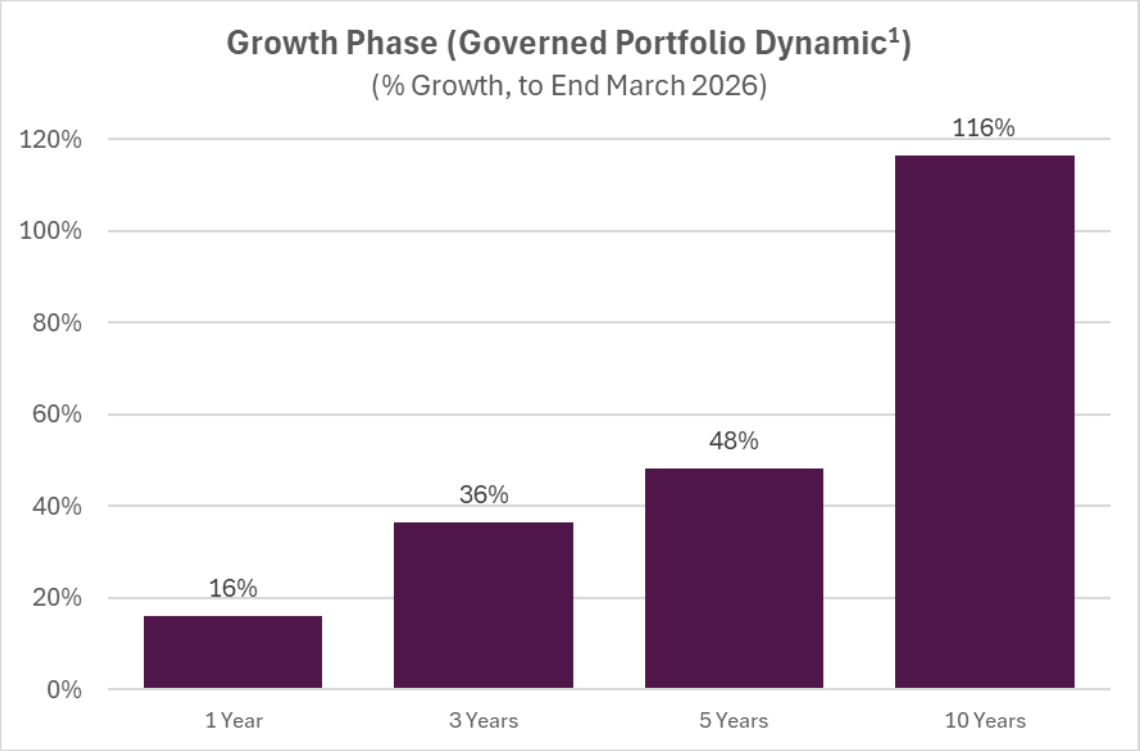
		YEAR									
		2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
PERFORMANCE RANK	1	EM Stocks 25.8	Property 4.5	Global Stocks 22.6	EM Stocks 15.0	Commodities 28.3	Commodities 30.7	Global Stocks 16.0	Global Stocks 20.2	EM Stocks 25.1	Commodities 26.9
	2	Global Stocks 14.0	Cash 0.6	UK Stocks 19.2	Global Stocks 14.3	Global Stocks 20.1	Cash 1.4	Global HY 11.9	Multi Asset 10.0	UK Stocks 24.0	UK Stocks 2.4
	3	UK Stocks 13.1	Gilts 0.6	EM Stocks 14.3	IL Gilts 11.0	UK Stocks 18.3	UK Stocks 0.3	Corp Bonds 8.6	EM Stocks 10.0	Global Stocks 14.3	EM Stocks 1.9
	4	Property 8.5	IL Gilts -0.3	Multi Asset 13.9	Gilts 8.3	Multi Asset 13.8	Multi Asset -6.9	UK Stocks 7.9	UK Stocks 9.5	Multi Asset 10.2	IL Gilts 1.3
	5	Multi Asset 8.3	Corp Bonds -1.5	Global HY 12.3	Corp Bonds 7.8	Property 12.3	Global Stocks -7.8	Multi Asset 7.6	Global HY 8.9	Global HY 8.4	Cash 0.9
	6	Global HY 6.7	Global Stocks -3.1	Corp Bonds 9.3	Global HY 5.0	IL Gilts 4.2	Property -8.8	Cash 4.7	Commodities 7.3	Commodities 7.8	Multi Asset 0.1
	7	Corp Bonds 4.3	Global HY -3.6	Gilts 6.9	Multi Asset 0.2	Global HY 2.8	EM Stocks -9.6	EM Stocks 4.1	Cash 5.2	Corp Bonds 6.9	Property -0.1
	8	IL Gilts 2.3	Multi Asset -4.3	IL Gilts 6.4	Cash 0.2	Cash 0.1	Global HY -12.6	Gilts 3.7	Corp Bonds 1.7	Gilts 5.0	Global HY -0.6
	9	Gilts 1.8	Commodities -5.7	Commodities 3.5	Property -4.4	EM Stocks -1.3	Corp Bonds -17.7	IL Gilts 0.9	Property 1.6	Cash 4.3	Global Stocks -1.3
	10	Cash 0.3	EM Stocks -8.9	Cash 0.7	Commodities -6.1	Corp Bonds -3.1	Gilts -23.8	Property -0.7	Gilts -3.3	Property 1.6	Corp Bonds -1.6
	11	Commodities -7.1	UK Stocks -9.5	Property -0.9	UK Stocks -9.8	Gilts -5.2	IL Gilts -33.6	Commodities -13.1	IL Gilts -8.3	IL Gilts 1.3	Gilts -1.9

Chart produced by Royal London using Lipper data as at 31 March 2026. Other than YTD columns are full years. 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, so you could get back less than the amount paid in. Multi Asset return = Governed Portfolio Growth. Governed Portfolio returns are net of 1% annual management charge.

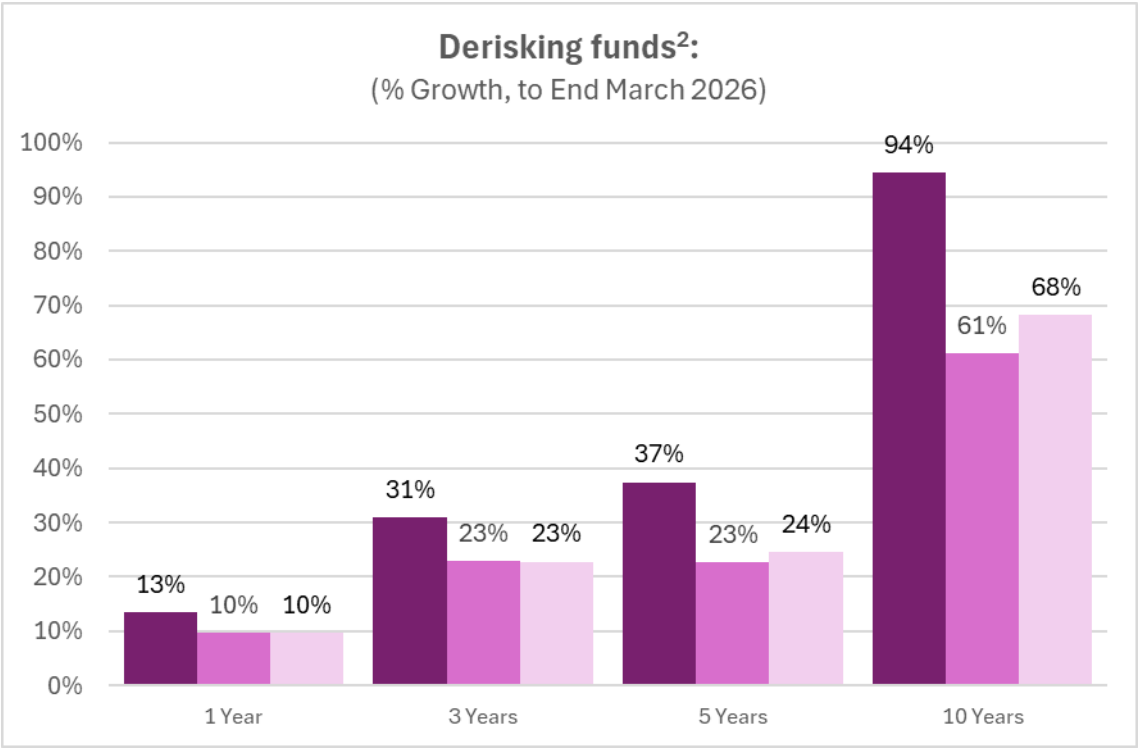
# Delivering growth

## Performance of the Workplace Default

### Members with more than 15 years to Retirement



### Members approaching Retirement (de-risking phase)



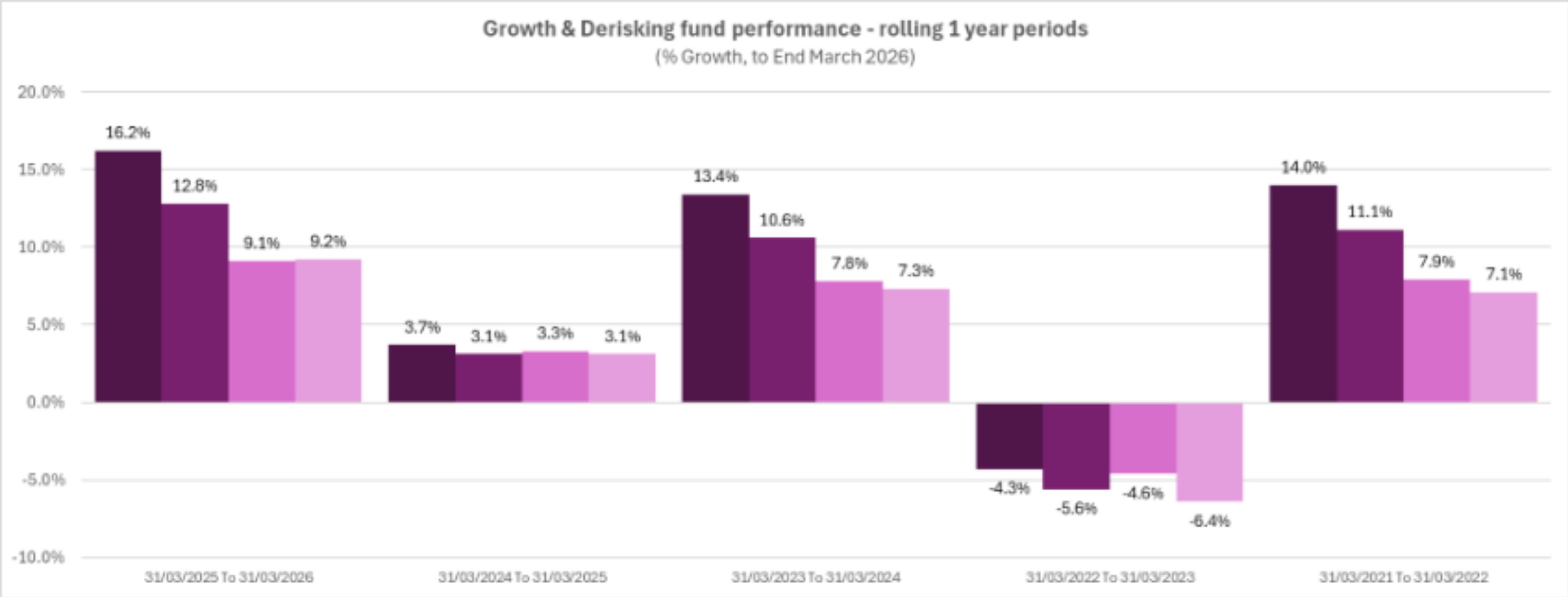
Source: Lipper, as at 31.03.2026. Past performance is not a guide to the future. All performance figures have been calculated assuming a 0.45% product charge. Prices can fall as well as rise meaning you may not get back the full amount of capital originally invested. Investment returns may fluctuate and are not guaranteed.

The default lifestyle strategy is constructed using a range of underlying funds, carefully selected to align with different stages of a member’s investment journey. The performance data presented is chain-linked, incorporating the historical performance of previous fund structures within the strategy. <sup>1</sup>Growth Phase fund since 2025 is the Governed Portfolio Dynamic, previously the Governed Portfolio Growth. <sup>2</sup>Current derisking funds are GP Growth, GP Conservative, GRIPs 3.



# Delivering growth

## Performance of the Workplace Default



Source: Lipper, as at 31.03.2026. Past performance is not a guide to the future. All performance figures have been calculated assuming a 0.45% product charge. Prices can fall as well as rise meaning you may not get back the full amount of capital originally invested. Investment returns may fluctuate and are not guaranteed.

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# We keep our finger on the pulse

## Key talking points

### Regulatory focus – including Pensions Bill and Value for Money

Fewer and larger participants in the DC market with a requirement to have £25bn AUM. Royal London's Policy team actively engaging with government & regulatory stakeholders

### Geopolitics / American exceptionalism ending?

Iran war driving inflationary pressures. Historic US equities strong performance has been driven by the technology sector, particularly the Magnificent 7 stocks. Will this continue?

### Private markets come into the mainstream

Incorporating private market investments in DC defaults has become increasingly popular

## Royal London position

- ✓ Already exceed £25bn default scale requirement
  - ✓ Already meeting Mansion House Accord ambition
  - ✓ Responded to consultation on Value for Money and collective defined contribution schemes
- 
- ✓ Diversified strategy
  - ✓ Regionally diverse across default, using regional building blocks as opposed to global indices
  - ✓ Disciplined process for making changes to allocations
- 
- ✓ Private markets/Illiquids already incorporated within default, at no extra cost
  - ✓ Strong unique proof point of liquidity management
  - ✓ Acquired infrastructure manager, Dalmore Capital











# Ongoing impartial governance

Our independently led guidance and oversight



# We evolved throughout 2025

Aiming to improve customer outcomes

 <h3>Default evolution</h3> <p><b>Intent:</b> to increase growth potential and retirement savings for members in the default. <b>Outcome:</b> increased the risk level of the growth fund – from GP Enhanced to GP Dynamic.</p>	 <h3>Fundisation</h3> <p><b>Intent:</b> to improve fund management outcomes by moving the default and other lifestyle strategies from portfolio to fund structure. <b>Outcome:</b> changed default and other lifestyle strategies to fund structure.</p>	 <h3>Inclusion of ABS</h3> <p><b>Intent:</b> to improve diversification within the Governed Range. <b>Outcome:</b> added 1.5% asset-backed securities (ABS) allocation to the Governed Range (c£500m).</p>	 <h3>Pathways review</h3> <p><b>Intent:</b> to ensure investment pathways solutions continue to meet customer needs. <b>Outcome:</b> completed review and got approval for change to Investment Pathways 2 to improve annuity hedging characteristics.</p>	 <h3>Global Managed fund removal</h3> <p><b>Intent:</b> to address the causes of underperformance driven by specific fund components. <b>Outcome:</b> removed UK Opportunities Fund, reduced allocation to UK Smaller Companies Fund and redirected to UK Core Equity Tilt Fund.</p>
 <h3>Governed Range SAA reviews</h3> <p><b>Intent:</b> to carry out regular review of SAAs to make sure they continue to provide good customer outcomes. <b>Outcome:</b> added ABS, updated regional equity splits and reduced property allocation at higher risk levels with aim of improving diversification and increase growth levels.</p>	 <h3>Infrastructure equity approval</h3> <p><b>Intent:</b> to get approval for new asset class inclusion in core portfolios. <b>Outcome:</b> got approval to include infrastructure equity, with initial allocations anticipated following 2026 Governed Range SAA review in H1 2026.</p>	 <h3>Sustainable fund launches</h3> <p><b>Intent:</b> to widen the sustainable fund choices available through our products. <b>Outcome:</b> launched three additional standalone funds: Sustainable Growth, Global Sustainable Credit and Sustainable Short Duration Corporate Bond.</p>	 <h3>Workplace migration and reviews</h3> <p><b>Intent:</b> to support the wider migration of long-standing customers into open products and align legacy products with open investment strategies. <b>Outcome:</b> matched investment funds, coordinated comms, and aligned SAAs and strategies where possible with open book.</p>	 <h3>ISA launch</h3> <p><b>Intent:</b> to provide range of investment funds to be offered through the ISA product. <b>Outcome:</b> launched ISA-specific versions of Governed Portfolios and Governed Retirement Income Portfolios and enabled dual investment for most other funds.</p>

# Continuing to evolve in 2026

## Our roadmap

### Outcomes and investing responsibly

We strive to improve customer outcomes by continuing to evolve and enhance our investment solutions.

Proposition development	Workplace evolution: glidepath shape, duration and end-point review
	Strategic asset allocation refresh (GPs and GRIPs)
	Embedding our approach to private markets (including addition of infrastructure)
	Review of GRIPs
	Investment pathways and post-retirement outcomes review
	Enhancements in responsible investment approach
	Promotion of ISA investment solutions
	Evolution of tilt strategies and commitments
	Considering Shariah options

### Future-proofing and governance

As the architects of the 'original' governed range, we believe governance drives continual improvement.

Continual improvement	Investment communications improvement programme (including Client Review Service)
	Adviser defaults, orphans and wider proposition review
	Wider 'self-select' range refresh
	Governance changes: underlying investment fund and strategy changes
	Continued evolution of the Investment Advisory Committee (IAC)
	Independent Governance Committee (IGC) areas of focus
	Further development of future-proofed fund structures
	Responsible investment reporting and MI

### Mutually beneficial

We're unique because we're a mutual. Our Purpose drives our actions, bringing you and your clients many benefits.

Benefits of mutuality	Owned by our customers, so we prioritise reinvestment over shareholder returns
	ProfitShare – mutually benefiting from our success
	Long-term investment thinking
	Purpose driven, with customers' financial resilience at the heart of everything we do
	Culturally unique in the market
	Backed by a government commitment to a thriving modern mutual sector
	Doing the right thing is all we know
	Playing our part in moving to a sustainable world

# What is Targeted Support?



# Consumers aren't getting the help they need to achieve good financial outcomes

Say lack of knowledge is the key barrier to investing

40%<sup>1</sup>

Haven't thought about how much they'll need in retirement in the last 12 months

52%<sup>2</sup>

Haven't used a financial advisor in 2025

91%<sup>1</sup>

Younger investors using social media to research investing

45%<sup>1</sup>

Regulations to date have made it difficult for providers to offer meaningful help and support

Sources:

1- FCA Consultation Paper CP25/17 2025, 2- Royal London Financial Resilience Report 2025

# The FCA's new 'group-based' advice regime called Targeted Support

Increasingly more directive & personalised levels of customer decision making help



Non-advised – Information & Guidance



Targeted Support



Individualised Advice

Personal Recommendation Boundary

**Targeted Support is not a substitute for individualised, paid for advice, but a bridge to it:**

It creates a sliding scale of help, acting as a scalable middle ground between generic guidance and fully individualised advice

# What is Targeted Support?

A **free** regulator-approved advice service that delivers **actionable, relevant and empowering** financial help, to build financial resilience.



New form of regulated advice providing information and guidance



Tailored for groups of people in common situations and circumstances



Free actionable suggestions based on limited information

# Built for the customer

Proven by evidence. First in the market.



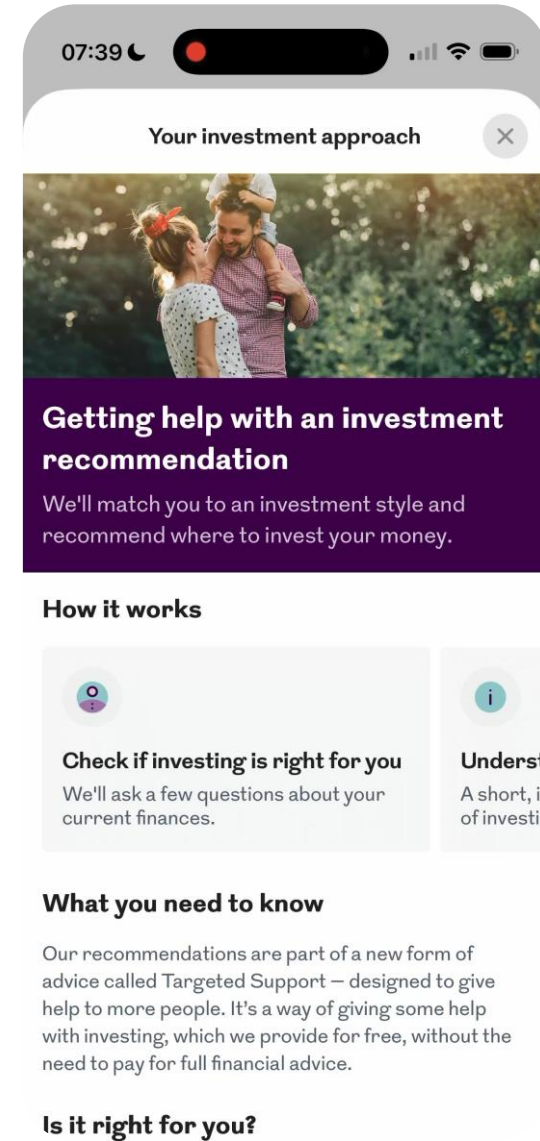
Pioneering with purpose and guided by consumers

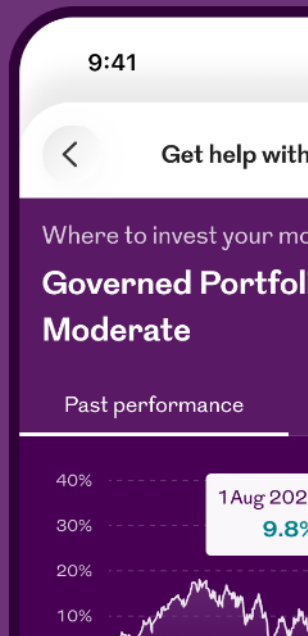
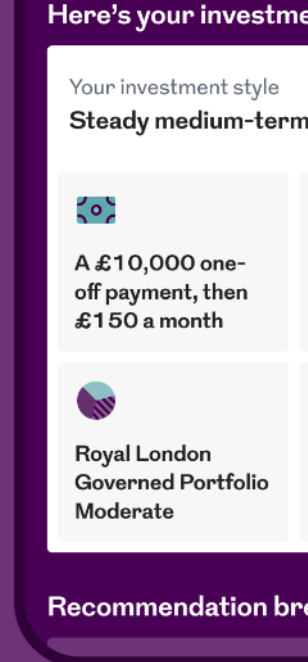
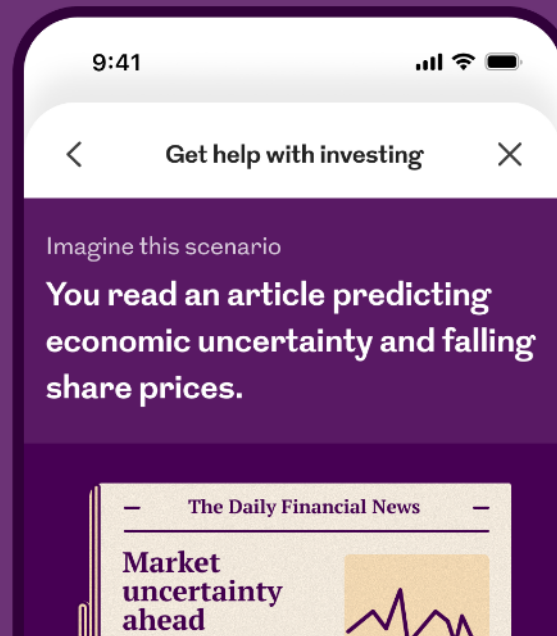
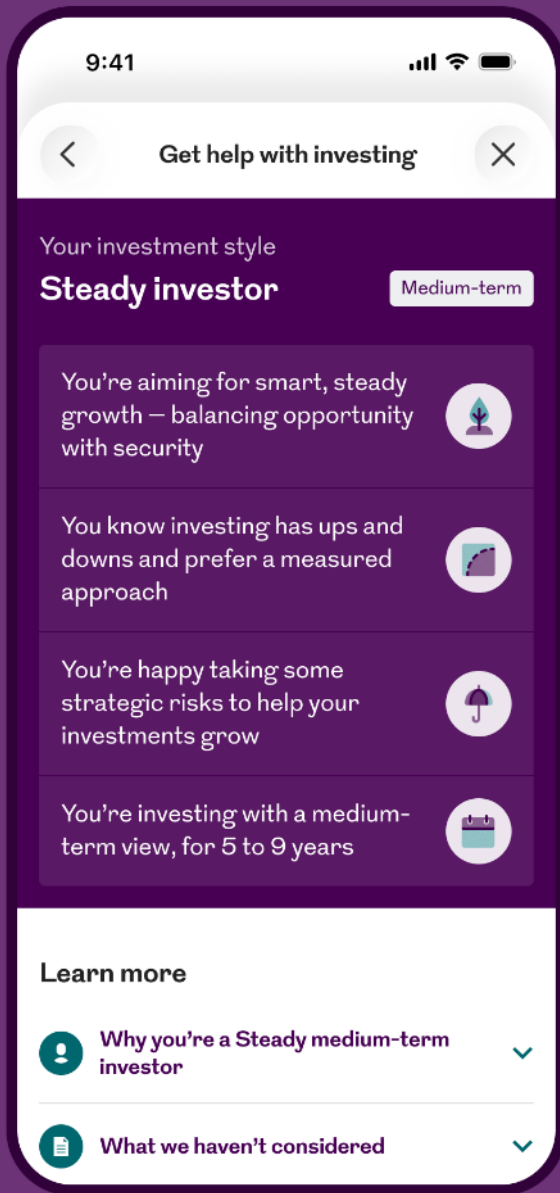


Designed around real people, not regulations



Evidence-led, iterated, and validated





# What are the benefits?

## Employer

Access in 2026!

Stronger support-value-engage-act cycle

More effective benefit strategies

Improved workforce management

No costs



## Your employees

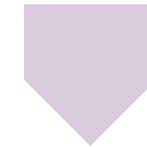
Full continuum of help

Understanding and confidence

Know what to do

Better outcomes in retirement

Reassuring ongoing support



Actionable financial help that builds resilience.

# Royal London believe 21.5 million people could benefit from Targeted Support.

“

Everyone deserves access to meaningful financial help, and Targeted Support is a once in a generation opportunity to reshape how people access it

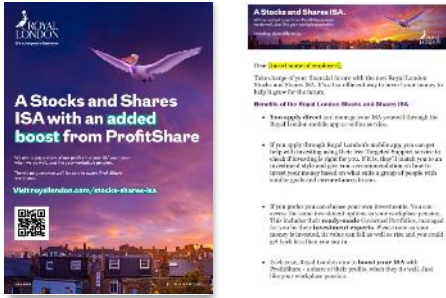
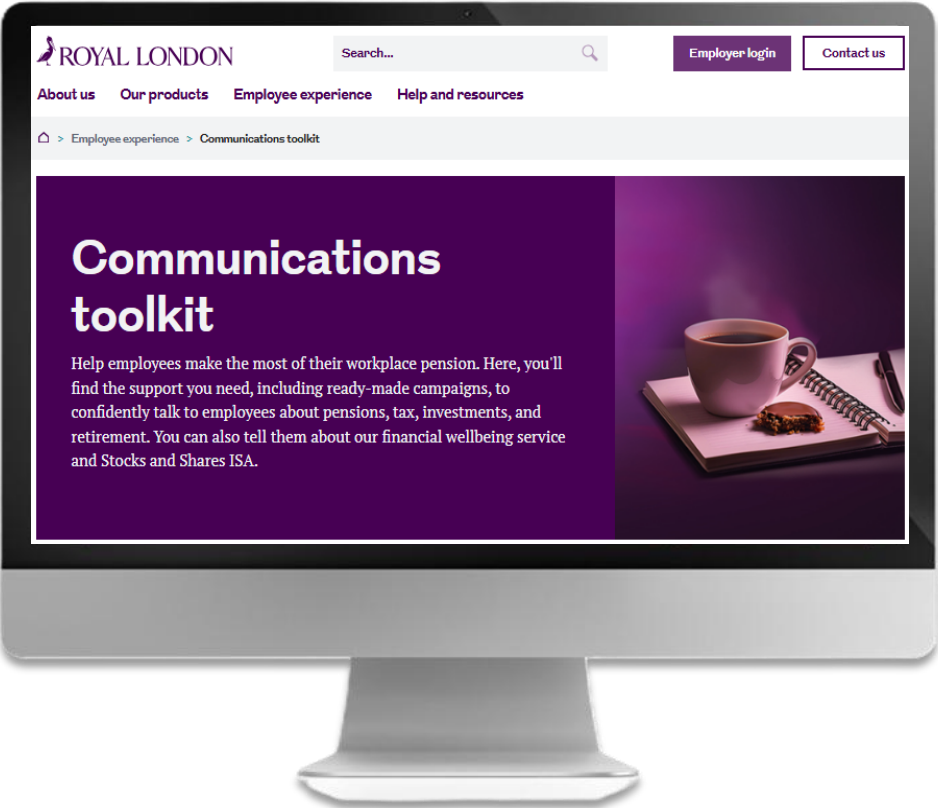
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# Ongoing support



# Communications toolkit

## Employer support



**Employer action:** Explore [employer.royallondon.com/employee-experience/communications-toolkit/](https://employer.royallondon.com/employee-experience/communications-toolkit/)



# Communications toolkit

## Investing support



Hello **[name of employee]**

Investing can be a powerful tool to help your money grow and work harder for the future you want. The good news is that you don't need to be an expert to make investing work for you – simply understanding a few basics can make a real difference.

So whether you're completely new to investing or just need a refresher, the topics below cover some of the essentials that can help build your confidence and set you up for success.

### Investing for beginners: how to get started

This guide breaks down some of the things you'll need to know before you get started, including whether investing is right for you and what you can invest in. [Find out more.](#)

### What are stock markets and how do they work?

You'll often hear people mention 'stock markets' when they talk about investing. [Here's what you need to know.](#)

### Understanding investment risk

'Risk' can sound a bit worrying when it comes to your money – and it's one reason some people hold back from investing. But once you know what risk really means (and how it can affect your investments), it's easier to choose an approach that feels right for you.

[Find out more about investment risk.](#)



Investing for beginners: what you need to know to get started



## Risk profiler questionnaire

You can use our risk profiler to get an idea of what your attitude to risk is. Once you understand this, it is easier to see which investment options might be most appropriate for you and your financial goals.



Saving vs investing

# Employee webinars

## Employee support

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To **drive awareness and understanding**, we offer a range of educational sessions, delivered by our pension experts to help employees engage with their pension and build financial wellbeing.

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### Monthly webinar



We run a 30-minute webinar each month for all scheme members covering Royal London, pension basics and a Q&A session.

### What we'll talk about



- About Royal London
- Why save into a pension
- How your pension works
- Keeping track of your plan
- Available tools and support

We can't answer any questions on specific circumstances as we can't provide financial advice.

### How to register

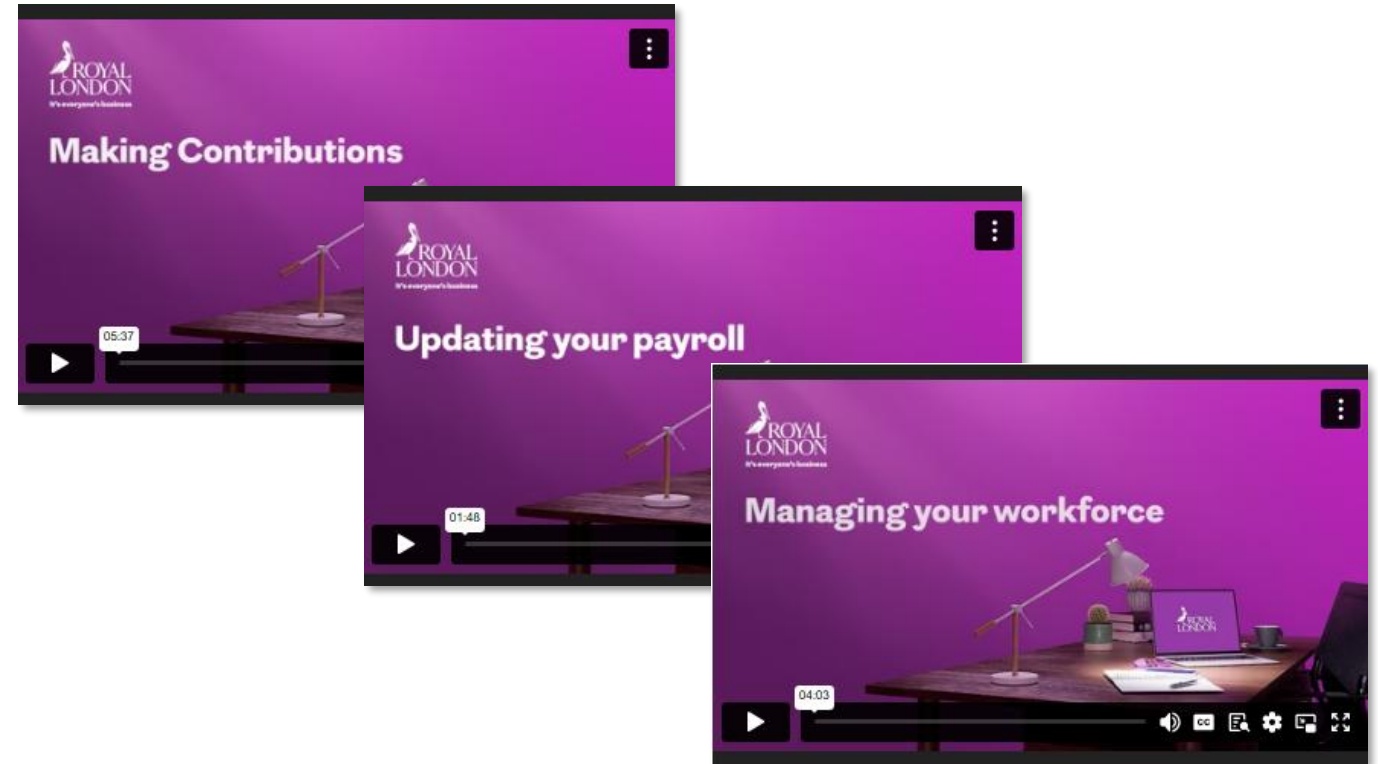
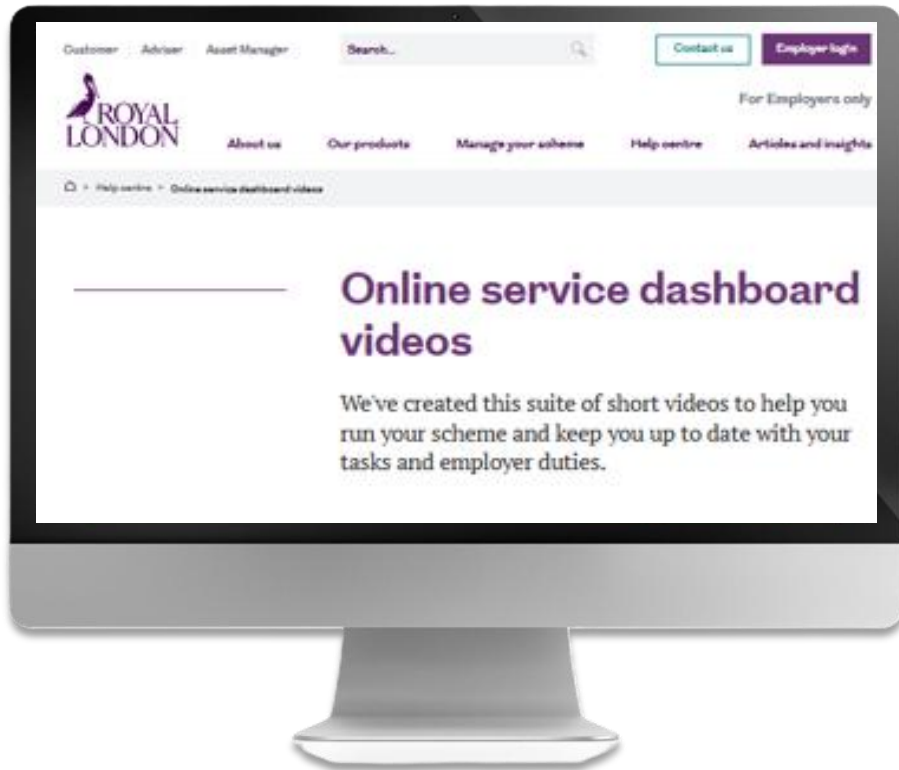


The registration details will be shared as part of our welcome emails.

There is support material available for employers if you want to promote it to employees.

# Help Centre

Employer support



**Employer action:** Access at [employer.royallondon.com/help-resources/help-centre](https://employer.royallondon.com/help-resources/help-centre)

# Questions & answers



ROYAL  
LONDON

# Thank you

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