



DRIVEN BY **OUR MEMBERS**

Why our mutuality matters for your clients



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

WHAT'S THE MUTUAL BENEFIT?

In simple terms, being a mutual means we're owned by our members.

So, unlike a PLC, we don't answer to shareholders or have dividends to pay.

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 in terms of our Articles of Association.¹

What are the benefits of being a Royal London member?

Our members are able to share in our profits and gain access to exclusive member benefits and competitions.

They're also entitled to one vote at our AGM, which they can use to help shape the direction of our company.

So while the biggest shareholder can drive the agenda for a PLC, the voice of all our members is treated equally.

Why does our mutuality matter?

For us, mutuality is a state of mind. A core philosophy that we exist for one sole purpose – to deliver the best possible experience and outcomes for our members and customers.

So while a PLC will try to push its resources towards generating greater profit for its shareholders, our actions will always be driven by the long-term best interests of your clients.

It's this simple ethos that makes us different to most of our competitors.

As we're run purely for the benefit of our members and customers, we focus on the things that matter to them – honesty, value and outstanding service.

¹For occupational pension schemes, the scheme trustees will qualify for membership – not the individual scheme members. Further details of the rules governing membership are available on request.

²The date a plan becomes 'in force' will be determined as follows: For individual plans set up to receive regular contributions, it's the date we've been asked to collect the first contribution. For individual plans set up to receive a single contribution or transfer payment only, it's the date we receive the money. And for group plans, it's the date the first regular contribution is due.

HOW DO WE SHARE OUR PROFITS?

As a mutual, we think our members should share in our success – so when we do well, we'll aim to boost their retirement savings.

We call it ProfitShare.

How do your clients qualify?

Your clients must have a unit-linked pension plan which started with us on or after 1 July 2001.

If your clients are members of an occupational scheme, their eligibility for ProfitShare is based on the date their scheme began with Royal London – not the date they joined.

How does it work?

ProfitShare awards will be applied as at 1 April each year – and they'll be based on the value of your client's retirement savings invested with us on that date.

Each year, we'll aim to boost your client's retirement savings by 0.15-0.25%. They could get more or less than this and there's no guarantee we'll be able to award ProfitShare every year.

To qualify, your client's plan must be in force² on the 31 December of the previous year and on the date the award is given.

ProfitShare awards will be invested in the same investment choice as your client's other retirement savings – and they don't count as a contribution, so they won't reduce the level of tax-free contributions your client can make to their plan each year.



**We shared a
whopping £114m
of our profits with
our members and
customers in
April 2017.**

Any ProfitShare award your clients get will be like a reduction in the plan charge for that year. However, there's no guarantee that we'll be able to award ProfitShare every year, so you shouldn't rely on future awards when advising your clients.

Are there any exclusions?

Unfortunately, we're unable to offer ProfitShare under our Crest Secure contract or any plan taken out with The Co-operative Insurance Society Limited.

Self-invested personal pensions, protection, life and direct to customer plans also don't currently qualify.

To find out more, speak to your usual Royal London contact or visit adviser.royallondon.com/profitshare

OUR COMMITMENT TO YOUR BUSINESS

As a mutual, we're only interested in delivering better outcomes and experiences for our members and our customers – and we firmly believe these will always be anchored in quality impartial advice.

So while many of our competitors seek to remove vital adviser services from the retirement planning process, our approach is entirely different.

We choose to focus on developing solutions that will help your business deliver crucial services customers need – but in ways that are more cost-effective for your business.

To give you confidence that Royal London intend to stand alongside your business in the years ahead, not work in competition with it, we've laid out three adviser commitments.

1

We have no plans to offer regulated financial advice

We believe the best advice comes without compromise. That means it has to be impartial and it has to be delivered with a full understanding of the customer's needs. That's why we're sticking to what we do best – delivering value for money propositions, investing in excellent customer service and giving you the tools and support you need to deliver your services efficiently and cost-effectively.

2

When your clients need advice, we'll point them to you

We'll actively encourage our customers, your clients, to seek impartial advice from you at every appropriate opportunity. But we'll never leave them without the support they need – and we'll always be guided to take the action we believe is in their long-term best interests.

3

We'll never cross-sell or upsell to your clients

We choose to distribute our products and services through intermediaries because we truly believe that's the right thing to do. Of course, there will be times when we need to engage with your clients on matters that affect them – but we won't get in the way of your relationship with them.

A LOT TO SHOUT ABOUT

We think you can tell a lot about a company by the industry awards and ratings it receives.

The fact our performance has been recognised across not one, but many award categories is testament to the expertise of our staff and their commitment to doing all they can for your business and your clients.



We received an Outstanding Achievement Award at the 2017 Financial Adviser Service Awards – and received 5 stars for our pension service, **for the ninth year running.**



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