Personalised Client Review Service

User Guide

This is for financial adviser use only and shouldn't be relied upon by any other person.

Your review challenges

We know that preparing your client reviews can be a lot of work.

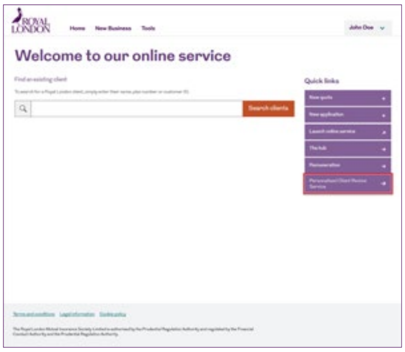
- Clients' needs and circumstances can change quickly, making it harder to keep reviews on track.
- Market ups and downs create uncertainty and increase the risk around sustaining income.
- There's growing regulatory pressure to clearly demonstrate good client outcomes.
- Pulling together all the information and evidence for a review can take a lot of time.
- Explaining income sustainability in a way that's simple and meaningful for clients isn't always straightforward.

That's where our Personalised Client Review Service (PCRS) can help – reviews at the click of a button. In this guide we'll take you through how to access and use PCRS.

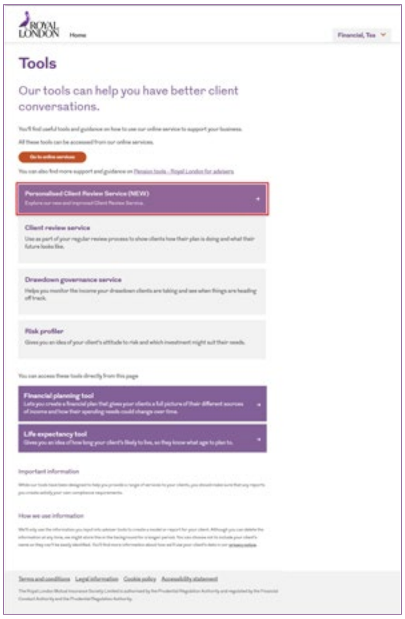
Accessing the service

PCRS can be accessed through Royal London's secure online service in three ways:

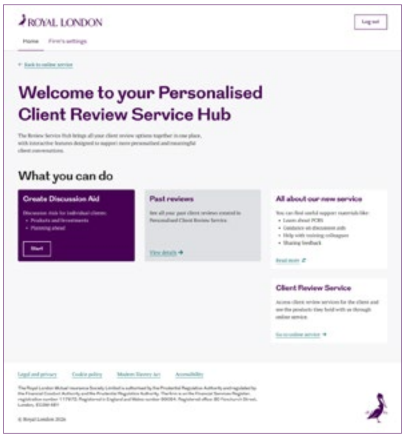
1. Adviser online service home page - direct link via the quick link right-hand navigation panel.



2. Adviser website tools page – access via the tools menu.

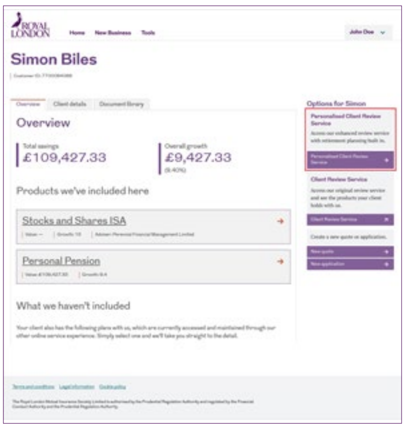


Both of these will take you directly to the home page of the PCRS Hub



3. Adviser online service client page - Select the client's plan record - where a 'Personalised Client Review Service' link appears within the right-hand navigation panel.

Accessing via the online service client page takes you straight to the option of creating a Discussion Aid. If you have not confirmed your settings, this will be highlighted and a link provided to confirm them.



Personalise your experience

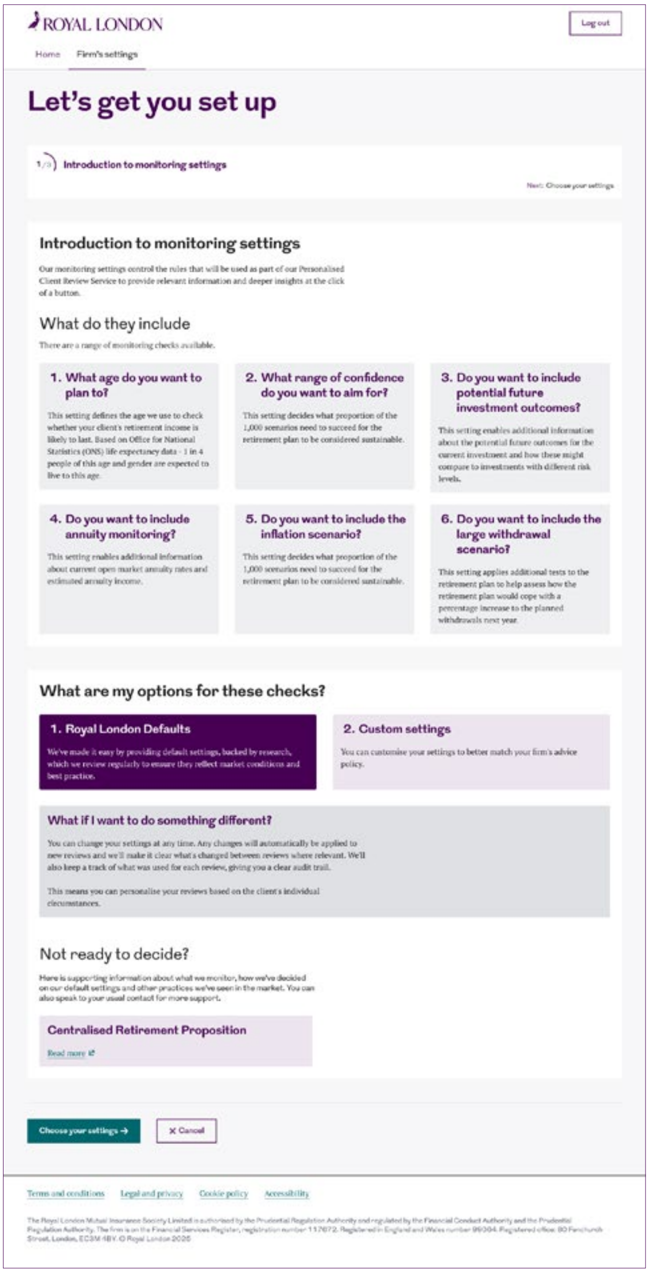
This is where you confirm the settings you will use for retirement planning. We've designed the service with a number of default settings, backed by research and evidence. We'll regularly review these to ensure they reflect market conditions and best practice. You can either use these default settings or you can customise your settings to match your firm's advice policy.

When you use the service for the first time you will have to confirm either Royal London default settings or custom settings.

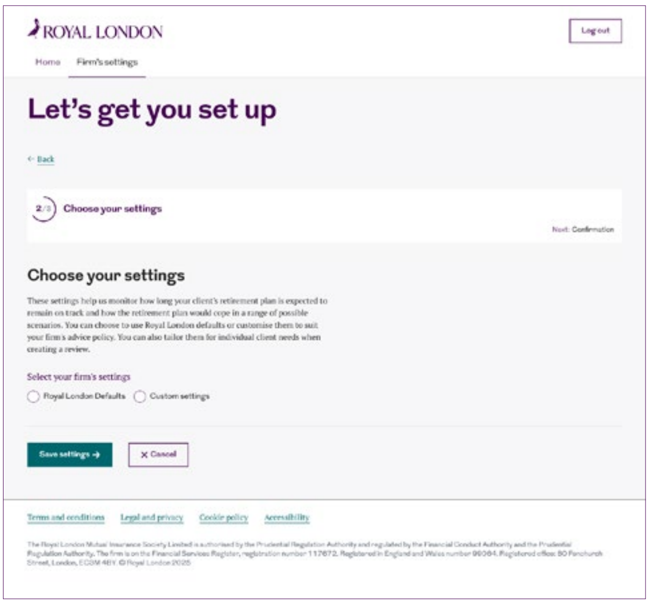
You can change these settings at any time and you can also change at client level.

Step 1. Choose the option 'Personalise your experience' to choose your settings for the first time.

You will then be provided with an overview of each of the settings within the service

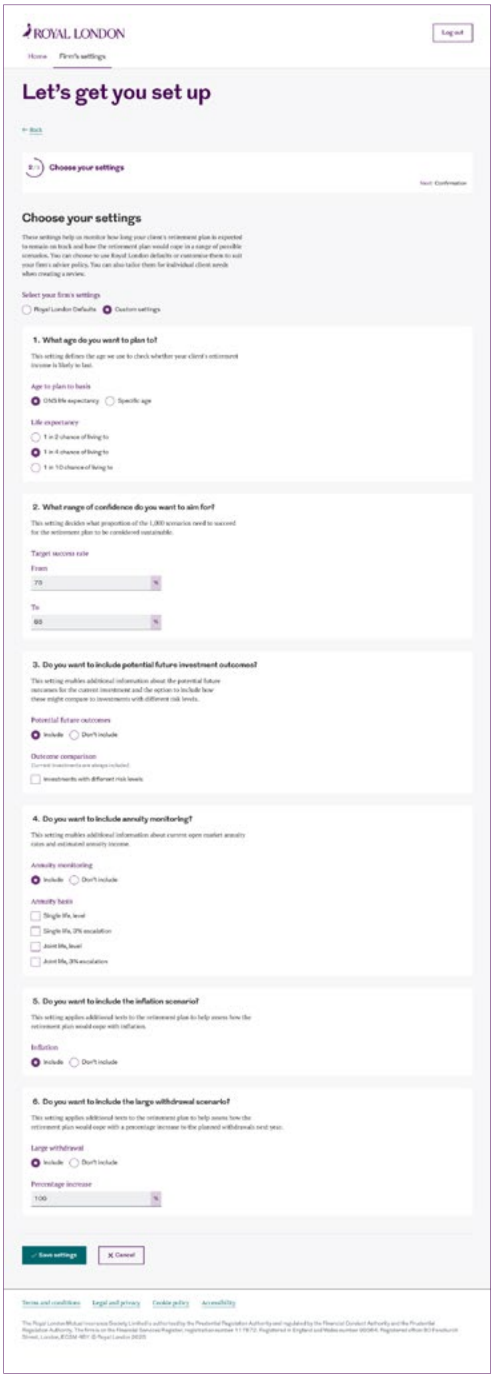


Step 2. You now have the option to customise your own settings. The radio buttons allow you to toggle between Royal London defaults and custom settings, to make your decision.



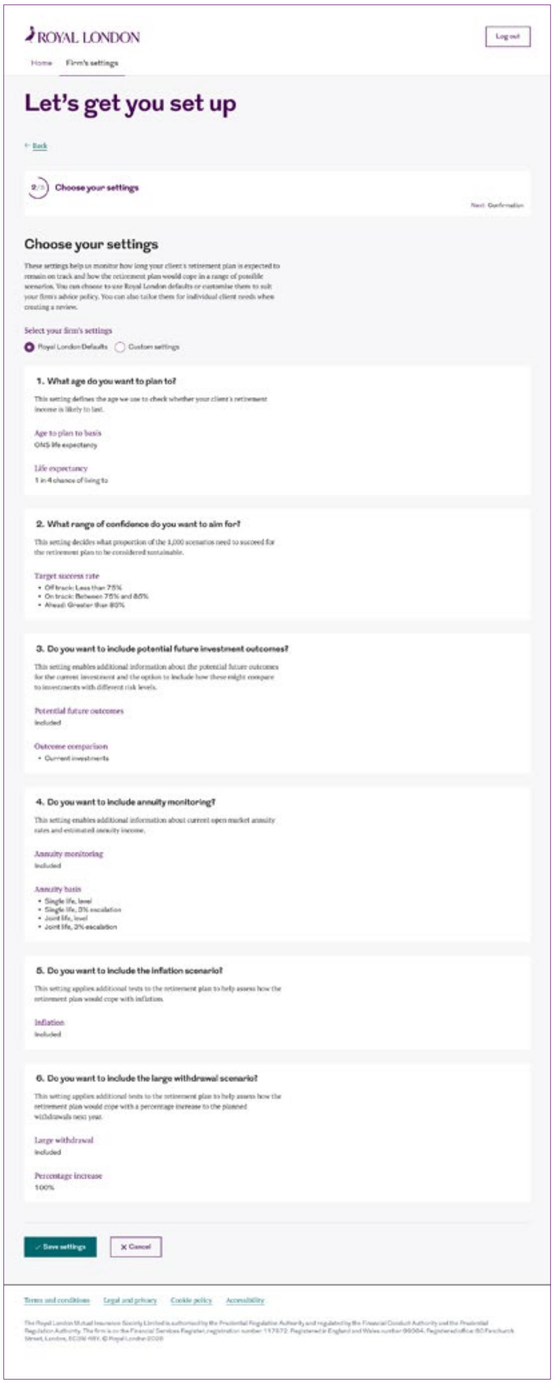
Royal London default settings

Once you have reviewed these settings and have decided that these align with your advice model, simply click 'Save settings'.



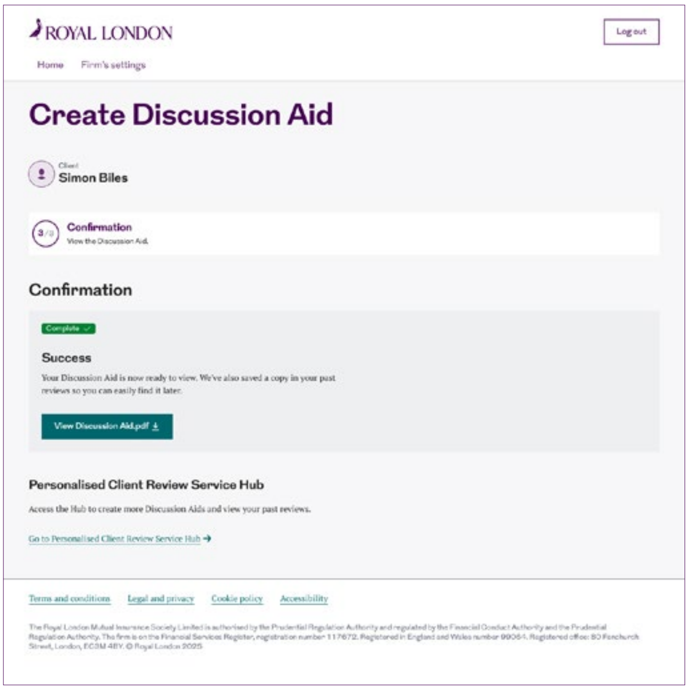
Custom settings

You will be presented with a range of options that allow you to customise your settings to align with your advice model.



Once you have reviewed these settings and selected the relevant options, simply click 'Save settings'.

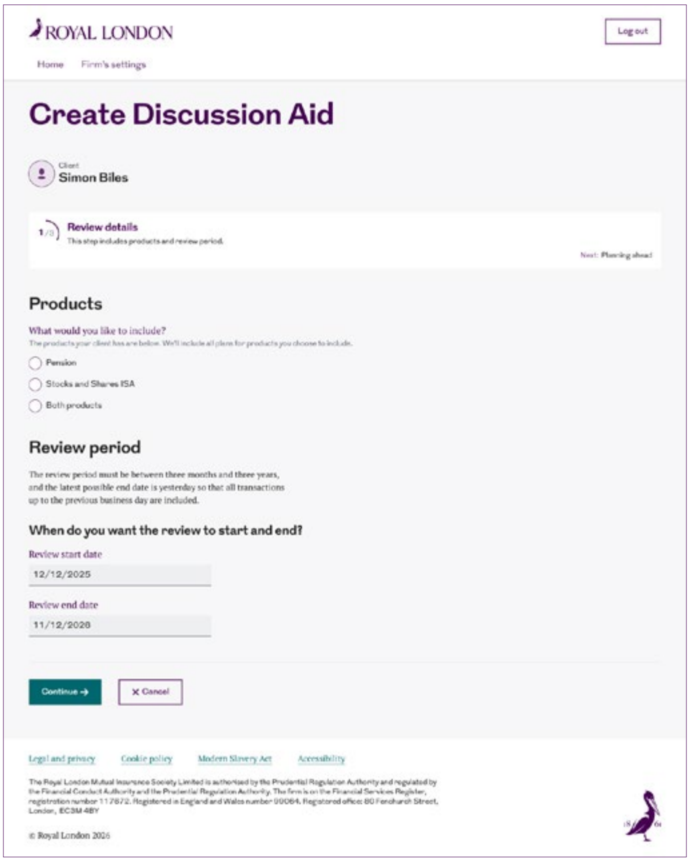
You will then receive a confirmation message that your monitoring settings are all set up and you can now move to create Discussion Aids.



You can change these settings at any time. Once you have changed your settings – they will apply to all future Discussion Aids produced and the 'Personalise your experience' tile will be removed from your home screen. Simply select the 'Firm's settings' tab at the top of the home screen to change your settings at any time. You can also change these settings at client level at any time.

Create your Discussion Aid in two simple steps

Once you have selected the client you are producing a Discussion Aid for there are two simple steps to complete to produce a Discussion Aid.



1. Review details

Choose the products you want to include and specify the review period (between 3 months and 3 years)

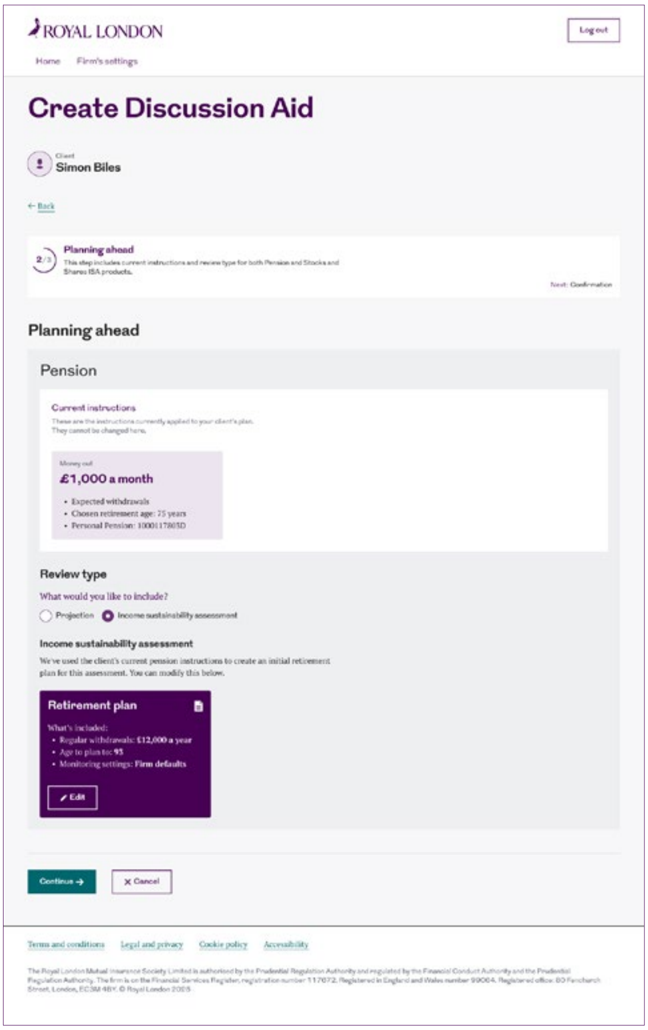
2. Planning ahead

There are various options here, depending on the products you are producing a Discussion Aid for and the areas you are covering with your client. The options are:

- ISA only – Projection only
- Pension - select either 'Projection' or 'Income sustainability assessment'

If an income sustainability assessment is chosen, we will use the client's current pension instructions to create a retirement plan. To allow you to fully reflect your client's circumstances, you can edit and either add or remove additional future instructions. As well as editing the values, you can also name this retirement instruction, in line with your clients' objectives e.g Wedding Contribution.

You are now ready to simply select create Discussion Aid. You will receive a confirmation message and a link to download the PDF.



Discussion Aid

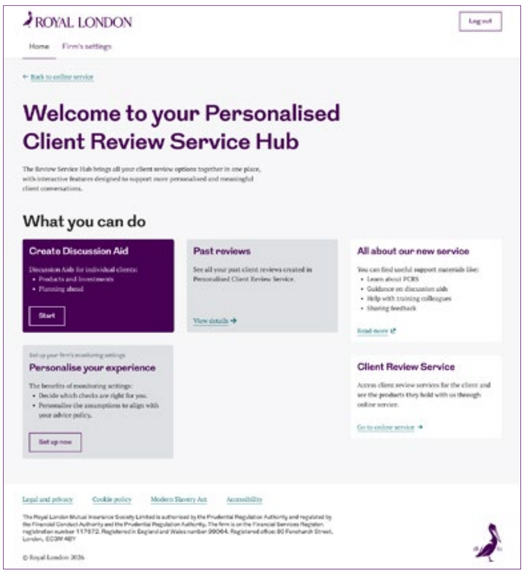
The Discussion Aid is a structured summary for you to use in client meetings. It brings together all relevant data and insights in a simple, factual format, without branding or opinions. You can quickly reference key information, making your meetings more focused and productive.

- Product and investment information: Fund values, growth, contributions, withdrawals, allowances, investment details.
- Planning ahead: Projections, income sustainability, stress tests, annuity quotes, beneficiary info.

This is delivered as a PDF that can be downloaded, printed or saved as required. It's not client facing so doesn't include any branding or contact details.

Past reviews

Any Discussion Aids you produce for a client will be saved against the client as a past review. Simply navigate to the PCRS Hub Home page and click 'Past reviews'. You will then be presented with a list of clients where Discussion Aids have been produced. Simply search for the client and a list of Discussion Aids produced will be available for you to select the relevant report to review.



Our Assumptions

We make assumptions to ensure that the plan information is presented in a clear and simple way. Here's more information about our assumptions and what they mean for your clients.

Values

Fund values are provided based on the position at the close of a business day and include all fully processed transactions. This ensures the opening value aligns to the closing value from the previous review. Transactions are only reflected once fully processed, meaning there may be short timing differences between when an activity occurs and when it appears in valuations.

As a result, the most recent review date available is the previous business day.

Valuations are calculated using a simple approach (units multiplied by price).

Growth

Growth is shown at both product and overall level, covering both the review period and since the earliest product commencement date.

We use a money-weighted rate of return (MWRR), which reflects the client's actual experience by taking into account the timing and size of all contributions and withdrawals.

Certain cashflows are not included within the growth calculation itself and may therefore increase or reduce the growth rate shown. These include Royal London charges, ProfitShare awards, With Profits bonuses and investment income such as dividends.

Money in

PCRS tracks all client and employer contributions (where applicable), tax relief, and ProfitShare awards, showing totals for both the review period and since plan start.

Contributions are reflected once fully processed and invested, meaning timing differences may occur between contribution date and when values are shown.

Allowance figures are based solely on Royal London product data and do not take into account pensions, ISAs or contributions held elsewhere, or individual tax circumstances.

Allowances

Pension annual allowance and ISA allowance are shown for the current tax year, including amounts used, expected, and remaining.

These figures are based only on Royal London products and do not include other arrangements or undisclosed income. Unused allowances from previous tax years (carry forward) are not reflected.

Pension allowance calculations do not take account of tapered annual allowance or carry forward from previous tax years because Royal London may not hold sufficient information about a client's wider earnings, tax position or pensions held elsewhere.

Money out

Withdrawals, income tax, Royal London management charges, ongoing adviser fees, and transaction costs are included and displayed at product level.

Adviser fees include the total of all ongoing fees paid. Initial and adhoc fees are not included.

The total amount paid to Royal London and external fund managers is a close approximation to what has been paid within the review period.

The calculations are based on plan valuations and investments held at the monthly anniversary of the review date. Any mid-month investment switches are ignored.

Where a client holds multiple standalone pension plans (not linked to an income release arrangement), charges are calculated at an individual plan level and then combined to provide an overall total.

All deductions are included once processed and reflect amounts applied within the review period, minor timing differences may occur where transactions fall close to review period boundaries.

If a fund is closed, we have used the last defined Total Expense Ratio (TER) for that fund.

Money out allowances do not factor in income streams not disclosed to Royal London.

Planning ahead – Projection

Investment growth is assumed at 2% above inflation, as set by the Financial Conduct Authority. Projections are shown at low, mid and high growth rates, before tax and assume the client is a basic-rate taxpayer. All figures are displayed gross of tax (i.e before any income tax is deducted from pension withdrawals).

Planning ahead – Income sustainability

Moody's Analytics stochastic modelling, running 1,000 market scenarios, is used to estimate the likelihood that a client's income will last to their planned target age and is applicable to pension plans only.

Contributions, withdrawals and charges are all annualised and modelled at the end of each year after investment growth. Inflation and investment returns are annualised.

Charges are assumed to increase with CPI. Initial, adhoc and escalating adviser charges are not included. Escalating contributions and withdrawals are not included.

Ages are modelled in whole years and the current age is rounded down e.g 68 years and 8 months will be rounded down to 68). As a result the projection term is extended (by a maximum of 11 months). This may have a larger impact on sustainability scores where clients are close to target age. Maximum age used is 100.

We assume investment instructions are mapped to a set number of Moody's asset classes based on the long-term view (Strategic Asset Allocation for Portfolios and Benchmark for fund range). The exception is non rebalancing, where the current investment is used.

Lifestyle strategies are not included

Where a client has multiple plans, income is assumed to be taken proportionately across all plans throughout the term. Contributions are applied proportionally based on today's current fund values.

Default settings

Royal London default settings are provided as a basis for Income Sustainability monitoring and have been selected to balance the need for sustainable income with the desire to maintain a reasonable standard of living throughout retirement. Advisers may amend these settings to reflect individual client circumstances. These settings do not have to be used and can be changed at any time.

Age to plan to: By default, PCRS assesses sustainability against a time horizon based on upper quartile life expectancy (using the latest ONS data). Using upper quartile life expectancy introduces an element of prudence into sustainability monitoring while providing a more stable planning horizon over time than using average life expectancy.

Ages are modelled in whole years using annual time steps, rather than exact dates.

Range of confidence: Sustainability is expressed as a probability range, with 'On Track' defined as 75%–85%, reflecting a balance between income stability and prudent risk management.

Future investment outcomes: This view isolates investment risk and return only and is designed to help assess the potential impact of investment choice alone without the additional effects of changing income levels, contributions or withdrawals.

We assume a static annual management charge in line with any discounts applied to the customer's current plan value and apply expected ongoing adviser charges .

We also assume no future withdrawals (regular or ad hoc), no changes to contributions, and no changes to current product or adviser charges or investment instructions.

Inflation linked scenario: Moody's use their view on macro economic scenarios to determine inflation expectations which are then modelled stochastically. Moody's use future expectations of CPI. This inflation scenario models all money in and all money out within the retirement plan.

Large withdrawal: This scenario assumes an additional one-off withdrawal equivalent to one year's planned income, allowing advisers and clients to understand how resilient the plan may be to an unexpected expenditure event.

Annuity monitoring: Annuity rates are sourced from IRESS. Quotes are based on standard market assumptions, including good health and exclusion of value protection or guarantee features, and are intended to provide a comparative insight rather than a personalised recommendation. The service assumes the same date of birth as the planholder for the joint life quote.

We show both a level and escalating (3%) annuity, both on a single and joint-life basis. Rates shown do not include value protection or guarantees. We show the estimated cost of securing a monthly income and the potential income from current plan values.

What PCRS does not cover

PCRS is designed to support adviser-led reviews. Results are based on information held by Royal London at the review date and may be affected if information is incomplete, unavailable or differs from a client's wider financial circumstances.

- It only includes Royal London Individual Pension and Stocks & Shares ISA products; other product types (including workplace pensions and legacy platforms) are not included
- It does not include pensions, ISAs or assets held outside Royal London
- It does not reflect a client's full tax position or wider financial circumstances beyond the data available
- Modelling outputs are based on standardised assumptions and do not replicate exact real-world timing or outcomes
- Projections are illustrative and not guaranteed
- Data reflects fully processed transactions and may not include pending or recently submitted activity
- PCRS does not provide recommendations or advice and does not replace adviser judgement

Advisers remain responsible for interpreting outputs and assessing suitability based on each client's individual circumstances.

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