

Matrix fund range

Getting the asset allocation spot-on is the most important part of building portfolios for your clients. We know that and there are lots of ways that we can help you with this. However, selecting appropriate funds is still a key part of your investment process. So offering a strong range of top quality funds is still essential. It's the performance of the investment funds that will ultimately drive how much your client's pension or ISA will be worth.

A broad range of funds

We believe that we should offer you a real and sensible choice of funds for your investment. Choice for us is offering you a range of funds that invest in different stock markets, in different styles and with different degrees of risk.

Management of risk

We segment our matrix funds into three main categories of management risk – Core, Core Plus and Specialist. This categorisation is based on tracking error against a benchmark to determine where each fund sits within the Matrix and the level of risk each fund should be taking.

Ongoing Suitability

Once your client has chosen which funds are best suited to their needs it is important that the fund continues to behave as first expected. This means that if your clients pick a fund because it is suitable for their risk profile we monitor it to ensure it continues to remain suitable.

The Royal London Investment Advisory Committee (IAC) governs the Matrix Fund range. They receive input from Morningstar Investment Management on an ongoing

basis to ensure the funds within the Matrix are doing what they are expected to do. If the IAC feel an underlying fund is no longer suitable for the Matrix we will communicate this to you and your client and replace it with another more suitable fund. Your client does not need to sanction the change or provide written approval, it is an automatic process.

Clear communication

We write to you and your client in advance of any change to a Matrix Fund. In addition to this, you can view the full minutes of every IAC meeting at adviser.royallondon.com/pensioninvestments to see what action is being taken with our Matrix funds. You can read more about the committee on the section marked "Investment Advisory Committee".

What does this mean for your client?

Saving for retirement is one of the most important decisions your client will make. We cannot guarantee the performance of any fund. We can, however control and monitor the risk and style of the funds we offer and help you and your clients feel more confident in planning for their retirement.

Matrix Fund Range

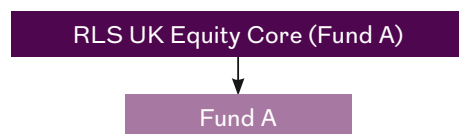
Sector	Core (<1%)	Core Plus (1-5%)	Specialist (>5%)
Selection criteria	We expect our Core Matrix Funds to have a very low tracking error and therefore a very close relationship to the underlying benchmark. Core Matrix Funds are in effect passive or tracker funds in that their sole objective is to replicate the movement in the underlying benchmark. The underlying benchmarks are custom indices developed by BlackRock to track the funds which have exclusions and ESG tilts included. These benchmarks will be used to assess tracking error.	We expect our Core Plus Matrix Funds to have a higher tracking error and therefore a looser relationship with the underlying benchmark. This is because the fund manager takes additional stock picking risk with the aim of generating a higher return. Core Plus Matrix Funds will move broadly with the underlying benchmark and from time to time we would expect the “annualised tracking error” to be within a band of 1% to 5% per year of the index on a 12-month forward looking basis.	Finally we expect our Specialist Matrix Funds to have only a general relationship to the underlying benchmark. Specialist Matrix Funds will be expected to deviate significantly from the underlying benchmark and we would expect their annualised performance to be 5% greater or lower than the movement in the underlying benchmark analysis. This is because the fund manager takes additional stock-picking risk with the aim of generating a higher return. Similarly we would not be expecting a Matrix Fund in our Specialist sector to demonstrate too close a relationship with the benchmark index such that it exhibited the properties of a Core Plus Matrix Fund.
UK Equity	RLP BlackRock ACS UK Equity Index RLI/BlackRock UK Equity Index	RLS UK Equity Core Plus (Artemis Income) RLS UK Equity Core Plus (JPM UK Dynamic)	RLS UK Equity Specialist (Baillie Gifford UK Equity Alpha) RLS UK Equity Specialist (Fidelity UK Opportunities)
UK Income		RLS/UK Income Core Plus (Artemis Income) RLS/UK Income Core Plus (Fidelity MoneyBuilder Dividend)	
UK Mid Cap			RLS UK Mid Cap Specialist (FTF Martin Currie UK Mid Cap)
UK Small Cap			RLS UK Small Cap Specialist (Artemis UK Smaller Companies)
Global Blend	RLP BlackRock ACS Global Blend RLI/BlackRock Global Blend	RLS Global Blend Core Plus (RLS Global Growth)	
Global Managed Equity	RLP BlackRock ACS Global Equity Index (60:40)		RLS Global Managed Equity Specialist (Ninety One Global Strategic Equity) RLS Global Managed Equity Specialist (Invesco Global Equity)
Europe	RLP BlackRock ACS European Equity Index RLI/BlackRock European Equity Index	RLS Europe Core Plus (Fidelity European Blended)	RLS Europe Specialist (Columbia Threadneedle European Select)
US	RLP BlackRock ACS US Equity Index RLI/BlackRock US Equity Index	RLS US Core Plus (Jupiter North American Equity)	
Japan		RLS Japan Core Plus (Baillie Gifford Japanese Income Growth)	RLS Japan Specialist (Baillie Gifford Japanese)
Asia Pacific		RLS Asia Pacific Core Plus (Invesco Asian)	RLS Asia Pacific Specialist (Stewart Investors Asia Pacific Leaders)
Emerging Markets		RLS Emerging Markets Core Plus (JPM Emerging Markets)	RLS Emerging Markets Specialist (First Sentier FSSA Global Emerging Markets Focus)

Please note, the funds prefixed with RLI are only available via the Royal London Stocks and Shares ISA product.

Changing an underlying fund within the Matrix

Stage 1

Your client is invested in the Matrix Fund “RLS UK Equity Core (Fund A)”. The Investment Advisory Committee announce that from an “Appointed-Date” in 90 days time, Fund A will be replaced by Fund B.



Stage 2

The “Appointed-Date”. All future contributions from this date are invested via the Matrix Fund “RLS UK Equity Core” into Fund B.



Stage 3

The assets that were previously invested with Fund A will be moved across to Fund B. The timing of this process depends upon the amount of money held with Fund A and the method which we believe is in the best interests of our policyholders. Generally speaking, the smaller the sums involved, the quicker the process.



Governance in action – matrix fund changes made in last 5 years

Fund changes						
23 March	29 June	2 November	2 November	7 December	7 December	7 December
UK Equity Specialist (Artemis UK Special Situations)	RLP Global Blend Core Plus (Rathbone Global Alpha)	UK Equity Specialist (Schroder UK Alpha Plus)	Emerging Markets Specialist (Stewart Investors Global Emerging Markets)	UK Equity Specialist (Invesco UK Growth)	Japan Core Plus (Schroder Tokyo)	Japan Specialist (Invesco Japan)
Replaced by	Replaced by	Replaced by	Replaced by	Replaced by	Replaced by	Replaced by
UK Equity Specialist (Baillie Gifford UK Equity Alpha)	RLP Global Blend Core Plus (RLP Global Growth)	UK Equity Specialist (Baillie Gifford UK Equity Alpha)	Emerging Markets Specialist (Fidelity Emerging Markets)	UK Equity Specialist (Fidelity UK Opportunities)	Japan Core Plus (Baillie Gifford Japanese Income Growth)	Japan Specialist (Baillie Gifford Japanese)
2020						
Fund changes						
14th October	14th October	14th October	14th October	14th October	14th October	9 March
RLP UK Equity Core Plus (Close TEAMS UK Equities (1%))	RLP UK Equity Core Plus (Close TEAMS UK Equities (2%))	RLP UK Equity Core Plus (JPM UK Equity Growth)	RLP Emerging Markets Specialist (Fidelity Emerging Markets)	RLP UK Income Specialist (Fidelity MoneyBuilder Dividend)	RLP Asia Pacific Core Plus (Stewart Investors Asia Pacific Leaders Sustainability)	RLP UK Small Cap Specialist (Ninety One UK Smaller Companies)
Replaced by	Replaced by	Replaced by	Replaced by	Moving risk category to	Moving risk category to	Replaced by
RLP UK Equity Core Plus (JPM UK Dynamic)	RLP UK Equity Core Plus (JPM UK Dynamic)	RLP UK Equity Core Plus (Artemis Income)	RLP Emerging Markets Specialist (First Sentier FSSA Global Emerging Markets Focus)	RLP UK Income Core Plus (Fidelity MoneyBuilder Dividend)	RLP Asia Pacific Specialist (Stewart Investors Asia Pacific Leaders Sustainability)	RLP UK Small Cap Specialist (Artemis UK Smaller Companies)
2024						2025

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**We're happy to provide your documents in a different format, such as braille,
large print or audio, just ask us when you get in touch.**

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