



## **Press Release**

### **Who is tasked with keeping an eye on investment funds?**

**I recently retired and am lucky to have substantial pension savings, now in ARF funds with various insurers. I understand funds can fall as well as rise, but my query relates to the security of these monies. My advisors reassure me I have nothing to worry about but the recent solvency issues relating to American and Swiss Banks is a worry. I see from insurers literature that all of them seem to have many billions (Euro) in investment funds. Who is tasked with "keeping an eye on them"?**

**Answer: Jason Walsh, Propositions Lead, Royal London**

Before anyone invests their money in a fund, they need to be comfortable with both the asset classes they plan to invest in and the level of risk they are willing to take. Each fund a person invests in has literature available to give an indication of what their money will be invested in, from its prescribed investment objective to the level of risk within the fund. The current industry standard in Ireland is a one to seven scale with one being the lowest and seven being the highest risk level.

In your case you are invested through an insured policy, which means you're most likely to be invested in a unit-linked fund. Investing in a unit-linked fund issued by an insurance company allows you to combine your money with other unit-linked policyholders and gives you an opportunity to invest your money in a much wider spread of investments than investing on your own, in a tax efficient manner.

In Ireland, Life Companies are regulated by the Central Bank of Ireland and will often have a rating from an external body, such as Standard & Poors or Moodys, which can provide a useful benchmark as to their underlying financial strength.

Each Life Company usually has a dedicated investment governance team whose focus will be that each of these unit-linked funds observe both the investment objectives set for them and the industry regulations. The Board of the Life Companies can also use an Investment Governance Committee to monitor these investments and again ensure they are aligned with both the objectives and the regulations.

Your Financial Broker can give you more detail specific to the insurers with whom you have invested your pension savings.

**ENDS**

**Notes to the Editor:**

**About Royal London Ireland:**

Royal London Ireland has a history of protecting our policyholders and their families for over 190 years in Ireland, and we're committed to continue to do so for a long time to come. Our businesses heritage in Ireland is nearly 200 years. The Caledonian Insurance Company's first office opened on Dame Street, Dublin 2 in 1824. Today we are owned by The Royal London Mutual Insurance Society Limited – the largest mutual life insurance, pensions and investments company in the UK, with assets under management of €174 billion as at 30 June 2022, 8.8 million policies in force and 4,267 employees as at 31 December 2021.

Royal London Ireland's office is based at 47-49 St Stephen's Green, Dublin 2.

**[www.royallondon.ie](http://www.royallondon.ie)**

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