FEELING THE **BENEFIT**

Your guide to ProfitShare

ROYAL LONDON

We've spent more than 150 years daring to stand out. But for us, it's not enough to say we're different to everyone else. **We want our customers to really feel it.**

When we first opened our doors for business back in 1861, we were built upon a belief that **our customers should share in our success.** And it's been our way of thinking ever since.

So when we do well, **we'll aim to boost your retirement savings** by adding a share of our profits to your plan each year.

We've called this ProfitShare.

HOW PROFITSHARE **WORKS**

1

We'll review our financial strength and performance at the end of each year.

2

We'll work out if ProfitShare can be awarded.

3

We'll add your award to a separate ProfitShare account within your plan.

4

You'll see the value of your ProfitShare account in your yearly statement, by logging into online service or by downloading our mobile app.

5

You can take the value of your ProfitShare account with the rest of your retirement savings any time after age 55.

- ProfitShare awards will be based on the value of the retirement savings you have invested with us on the date they're awarded.
- For the last four years, we've boosted the retirement savings of our unit-linked pension customers between 0.15% and 0.18%. You could get more or less than this and there's no guarantee that we'll be able to award ProfitShare every year.
- ProfitShare awards will be applied in April each year as long as your plan was in force on 31 December the previous year and on the date the award is given.
- ProfitShare doesn't count as a contribution, so doesn't affect your annual allowance and the contributions you can make to your plan each year.
- ProfitShare awards will be invested in the same investment choice as your other retirement savings.

INTRODUCING
HARRY

To give you an idea of the difference ProfitShare could make, let's introduce you to Harry.

Harry has just joined his employer's pension plan.

- He's aged 30
- He's decided to contribute £230 each month
- He'll transfer £25,000 from a previous pension into his employer's pension plan
- He wants to retire at age 65

The retirement savings Harry's able to build up by age 65 depends on how his chosen investments grow each year, as shown in the example below.

Harry's projected plan value at age 65

These figures aren't guaranteed and are just an example. Harry could get more or less than this. We've assumed he'll increase his pension contributions in line with inflation each year and that he'll contribute until he retires at age 65. We've also assumed we'll apply a yearly management charge of 0.75% to all his retirement savings.

We've assumed that inflation will reduce the buying power of Harry's retirement savings by 2% each year. We've allowed for this by reducing the growth rate to 2.1%. This should give a more realistic view of what Harry could buy with his plan if his retirement income was payable today.

Let's assume Harry benefits from a ProfitShare award equal to 0.15% of the value of his plan each year. Let's also assume the value of his investments grow by 2.1% each year.

Impact of ProfitShare for Harry

These figures show that, over time, ProfitShare could increase Harry's retirement savings from **£164,728** to **£170,458**, giving him an extra **£5,730**. And remember, they're his retirement savings. We'll never ask for them back.

You should remember that this is only an example, ProfitShare and investment returns are never guaranteed. This means that while there's a chance your savings could grow, they could also fall in value. So you could get back less than you started with.

For more information about ProfitShare, ask the internet at **royallondon.com/ProfitShare**

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