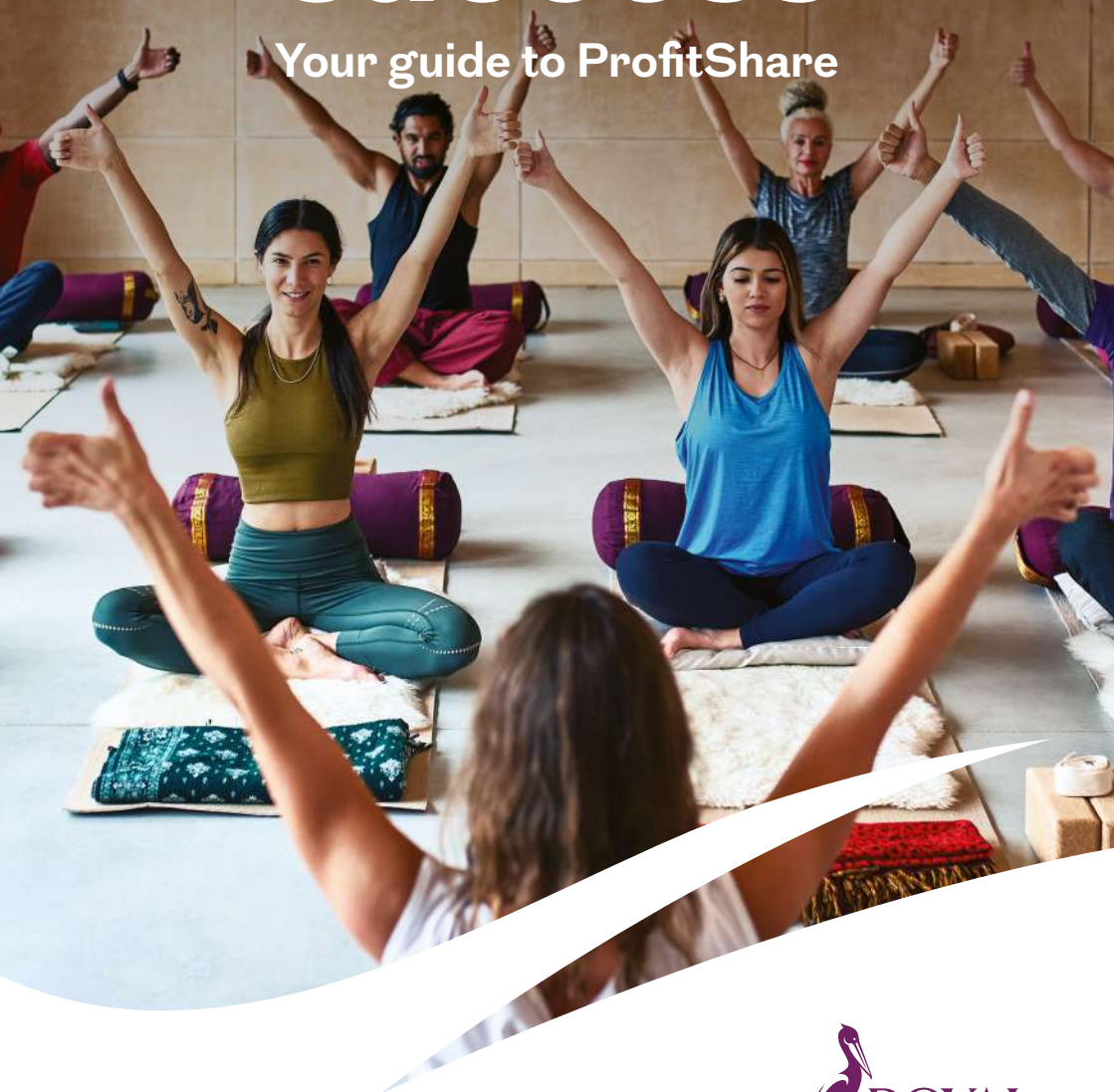


# Share in our **success**

Your guide to ProfitShare



Pensions and Investments | ProfitShare



We're not your typical financial services company.

As a mutual, we're customer-owned, and we believe you should **share in our success**.  
So when we do well, so do you.

This means you could receive an extra boost from ProfitShare each year when we do well.

Since 2017, we've shared over £1.3 billion of our profits with qualifying plans. This year, we were delighted to share **£181m** of our profits with over 2 million eligible customers.

Our Stocks and Shares ISA is also eligible for ProfitShare.



# How ProfitShare works



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



We'll work out if we can award ProfitShare.



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



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



You can take the value of your ProfitShare account with the rest of your pension savings<sup>1</sup> and ISA investments.

<sup>1</sup> Any time after age 55 (age 57 from 6 April 2028).

- ProfitShare awards will be based on the value of the pension and ISA you have invested with us on the date they're awarded.
- Since 2017, we've boosted the pension 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(s) each year.
- ProfitShare awards will be invested in the same investment choice as your pension and ISA.

# Meet 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 decided to contribute £400 each month
- The monthly pension contribution will increase by 3.5% per year
- He'll transfer £10,000 from a previous pension into his employer's pension plan
- He's aged 45
- He wants to retire at age 65
- He transfers £25,000 from an existing stocks and shares ISA into his Royal London Stocks and Shares ISA.

The amount 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 value at age 65

Assumed rate of  
investment growth

**2.8%**

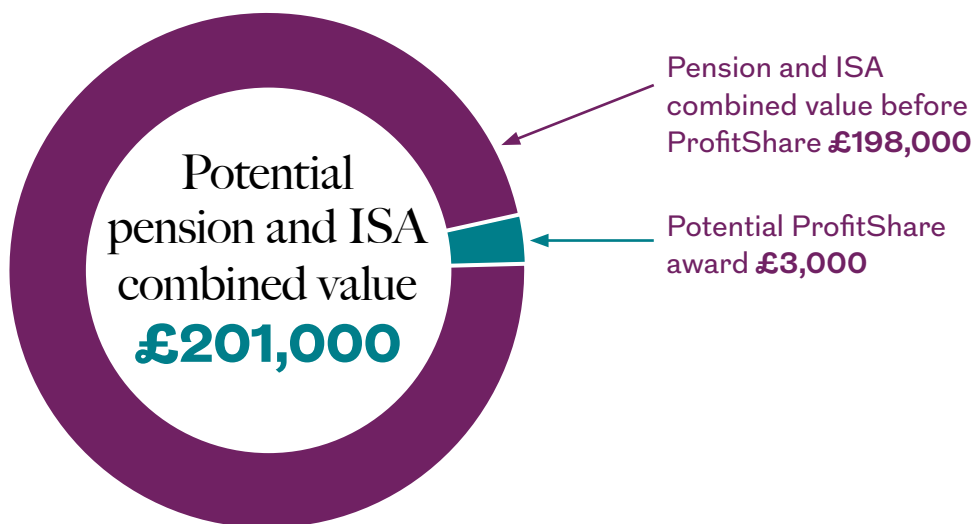
**£198,000**

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 assumed that the pension and ISA are invested in the same fund. We'll apply a annual management charge of 0.40% to his pension and ISA.

We've assumed that inflation will reduce the buying power of Harry's pension and ISA by 2% each year. We've allowed for this by reducing the growth rate to 2.8%. 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 2.8% each year.

### Impact of ProfitShare for Harry



These figures show that over time, ProfitShare could increase Harry's pension and investments from £198,000 to £201,000 giving him an extra £3,000.

Forecasts are not a reliable indicator of future performance.

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 pensions and investments could grow, they could also fall in value. So you could get back less than you started with.

Tell me more [royallondon.com/ProfitShare](https://royallondon.com/ProfitShare)



## Download our mobile app

Keeping an eye on your Royal London pension and Stocks and Shares ISA has never been easier, thanks to our mobile app. Simple to set up. Quick and secure to access. Not to mention its helpful features including paying in, viewing the details of your investments, and more. Download our mobile app by following this link: [royallondon.com/app](https://royallondon.com/app)



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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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