



FEELING THE BENEFIT



Welcome to ProfitShare

As a mutual, we believe **our customers should share in our success.** And we really want our customers to feel the benefit of being part of Royal London.

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

INTRODUCING HARRY

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



Harry has a unit-linked 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 0.2% 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



For more information about ProfitShare, visit our website at adviser.royallondon.com/ProfitShare.

These figures show that ProfitShare could increase Harry's retirement savings from £164,728 to £172,421, giving him an extra £7,693. A toast to his future from us. And remember, they're his retirement savings. We'll never ask for it back.

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

PROFITSHARE FOR UNIT-LINKED CUSTOMERS



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



We'll work out if ProfitShare can be awarded.



We'll add the award to a separate ProfitShare account within customers' plans.



Customers can see the value of their ProfitShare account in their yearly statement and our online service.



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

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- ProfitShare awards will be based on the value of the retirement savings customers have invested with us on the date they're awarded.
 - Each year, we'll aim to award between 0.15% and 0.25% of the value of a customer's plan.
 - ProfitShare awards will be applied in April each year as long as the customer's 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 it won't reduce the level of tax-free contributions customers can make to their plan each year.
 - ProfitShare awards will be invested in the same investment choice as the customer's other retirement savings.
 - We can't guarantee that we'll be able to award ProfitShare every year so this shouldn't be relied upon.

Which customers don't qualify for ProfitShare?

Unfortunately, we're unable to offer ProfitShare under our CREST Secure contract.

Self-invested personal pensions (SIPPs), protection, life and direct to customer plans also don't currently qualify.

If a customer isn't eligible for ProfitShare, they could take out a new plan with us – but you'll want to make sure they won't be any worse off.

Moving to a new plan could mean they lose out on valuable benefits that can't be replaced, such as guaranteed annuity rates, loyalty bonuses, protected tax-free cash, and waiver of contribution or death in service benefits.

They could also trigger an exit charge which could be more than the amount of ProfitShare we award over the remaining term of their plan.

If you need more information to help review a customer's individual circumstances, please get in touch.

What about ProfitShare for with profits customers?

Our with profits customers also benefit from ProfitShare.

We'll work out their ProfitShare in a different way. You can find out more in the **Royal London With Profits Fund** factsheet or by visiting our website at adviser.royallondon.com/ProfitShare.

Next steps

Speak to your usual Royal London contact for more information, or go to adviser.royallondon.com/ProfitShare.

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