

READY-MADE PENSIONS

EXAMPLE ILLUSTRATIONS



LLOYDS BANK



EXAMPLE ILLUSTRATIONS

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us to give you this important information to help you to decide whether the Ready-Made Pension (the Account) is right for you.

You should read this document carefully so that you understand what you are buying, including the assumptions applicable to the calculations.

The following example illustrations show the Account values that you might get back and the guaranteed annual income (known as an annuity) that these could buy at age 65. We have shown a range of transfer values, contributions and investment terms to retirement:

Example 1:

Transfer value only, based on transfer values from your other pensions plans of £10,000, £25,000, and £50,000.

Example 2:

Transfer value based on the above transfer values, plus regular monthly contributions of £100 and £200 (gross amounts, including basic rate tax relief), until age 65.

Example 3:

Single contribution only, based on paying in one-off contributions of £5,000, £10,000 and £25,000 (gross amounts, including basic rate tax relief).

You do not have to use the value of your pension to buy an annuity, and there are other options available for taking your pension benefits. Generally, you can take up to 25% of the value as a tax-free lump sum and use the rest to buy an annuity (which will be taxable), or take it all as taxable cash, or take some or all of your pension fund as taxable income, or use a combination of these options.

The values shown are for illustrative purposes and do not form an offer. These example illustrations may not fully reflect your own circumstances, as they may not show your particular transfer value, regular or single contribution amount, investment funds or length of time to your retirement age.

If you proceed to open an Account, a personal illustration will be provided to you, reflecting the specific circumstances of your proposed investment. This will show you what you might get back, based on the actual amount you invest and your chosen retirement age.

CALCULATIONS AND ASSUMPTIONS

Your projected values

- These illustrations will help you to compare your current income with the buying power of the future income from your Pension Account.
- The illustrations show, in today's prices, the final Account values at age 65 and the annuity (taxable annual income) that might be payable at retirement.
- The effect of inflation is included in these figures. Inflation will reduce what you can buy in the future from your pension fund, and other savings and investments you may have.
- We have allowed for price inflation of 2.0% each year to give you an indication of how much you would be able to buy with your final Pension value in today's terms. Price inflation reduces the worth of all savings and investments over time.
- The growth figures are based on the Account investing in our Retirement Portfolio. The Retirement Portfolio is our investment strategy that invests in a blend of funds. This blend changes in the years up to the selected retirement age for the Account. For these illustrations, retirement is assumed to be set at age 65. The figures assume that the growth rates stay constant throughout the years to retirement.
- The actual investment growth rates achieved may be more or less than those shown.
- The Ongoing charges applied to the funds in the Retirement Portfolio are currently between 0.22% and 0.23% per annum.
- Other pension providers may use different growth rates for their illustrations, and charges may vary. Providers generally use the same rates as each other to show how retirement funds may be converted into annuity income.
- Your final value and the benefits payable could be more or less than shown. The benefits may be less than the payments made into the Pension.
- The actual charges that apply to your Pension Account may be higher or lower than those we have assumed, and will depend on the investment strategy and funds you are invested in.

To help you keep track of your Account, we'll send you a Statement each year.

Your potential annuity

When calculating your potential annuity, we've assumed that:

- The retirement age does not change from 65.
- The cost of purchasing the annuity is based on projected future annuity rates using assumptions set out by our regulator.
- There is no spouse, civil partner or partner income included in these calculations.
- Your annuity will be paid for a guaranteed 5-year period.
- Your annuity will remain level from when you start taking it, and won't increase each year
- Inflation is set at 2.0% each year.
- Your annuity income is paid to you in advance

Please note, all income figures are shown before any deductions of tax.

EXAMPLE 1: WHAT YOU MIGHT GET BACK – TRANSFER VALUE ONLY

The following tables show the potential value of the Ready-Made Pension Account at age 65, and the annuity this could give you, both with and without taking a tax-free lump sum of 25% of the value of your Account.

These figures are only an indication, as we can't predict future investment growth or inflation rates. The value of your Pension can fall and rise and is not guaranteed. This means you could get back less than you have paid in.

Years to Retirement	Transfer Value	£10,000	£25,000	£50,000
40 Years	If investments grow each year until age 65 at	0.9%	0.9%	0.9%
	Projected Account value	£11,100	£29,000	£58,100
	Potential tax-free lump sum Plus a taxable annual income of	£2,780 £468	£7,260 £1,220	£14,500 £2,440
	Or, if you don't take a tax-free lump sum, a taxable annual income of	£624	£1,630	£3,260
30 Years	If investments grow each year until age 65 at	0.9%	0.9%	0.9%
	Projected Account value	£10,700	£27,900	£55,900
	Potential tax-free lump sum Plus a taxable annual income of	£2,680 £460	£6,990 £1,200	£13,900 £2,400
	Or, if you don't take a tax-free lump sum, a taxable annual income of	£614	£1,600	£3,200
20 Years	If investments grow each year until age 65 at	0.9%	0.9%	0.9%
	Projected Account value	£10,300	£26,900	£53,900
	Potential tax-free lump sum Plus a taxable annual income of	£2,590 £455	£6,730 £1,180	£13,400 £2,360
	Or, if you don't take a tax-free lump sum, a taxable annual income of	£607	£1,570	£3,150
10 Years	If investments grow each year until age 65 at	0.9%	0.9%	0.9%
	Projected Account value	£10,100	£25,900	£51,900
	Potential tax-free lump sum Plus a taxable annual income of	£2,530 £454	£6,480 £1,160	£12,900 £2,320
	Or, if you don't take a tax-free lump sum, a taxable annual income of	£606	£1,550	£3,100

What are the growth rates used in these illustrations?

These example illustrations are based on a Ready-Made Pension Account that invests in our Retirement Portfolio to age 65.

The values are based on a 'mid' growth rate assumption of 2.92%, to which we have applied assumed price inflation of 2.0% each year to give a growth rate of 0.9%.

What are the charges?

There is an annual Account Charge of £60, and a 0.30% charge on investments within your Account above £20,000, which will be deducted monthly from your Account. We review these charges on an annual basis and they may increase as per the Ready-Made Pensions Terms & Conditions. Please note Ready-Made Pension charges exclude VAT.

Ongoing Investment Charges are made by the fund manager, and apply to each fund you are invested in, based on the value of the investment in that fund. The Ongoing Charges for the funds in the Retirement Portfolio are 0.22% – 0.23% per annum. These may change in the future.

EXAMPLE 1: WHAT YOU MIGHT GET BACK – TRANSFER VALUE ONLY (CONTINUED)

How the charges reduce the value of your pension

All pension providers have to give these figures to help you compare their charges.

The tables below show how the value of your Ready-Made Pension may grow before and after the Account Charges and Investment Charges are taken.

We have assumed investments will grow at 0.9% each year. This is based on an example growth rate of 2.92% to which we have then applied inflation at 2.0%. We have also applied inflation to your transfer payment. These rates are not guaranteed, and growth could be more or less than this.

	At end of Year	Transfer Value £10,000				Transfer Value £25,000			
		Investment to Date	Value Before Charges	Effect of Deductions to Date	What You Might Get Back	Investment to Date	Value Before Charges	Effect of Deductions to Date	What You Might Get Back
Early Years	1	£10,000	£10,000	£0	£10,000	£25,000	£25,200	£200	£25,000
	2	£10,000	£10,100	£100	£10,000	£25,000	£25,400	£300	£25,100
	3	£10,000	£10,200	£200	£10,000	£25,000	£25,600	£400	£25,200
	4	£10,000	£10,300	£300	£10,000	£25,000	£25,900	£600	£25,300
	5	£10,000	£10,400	£400	£10,000	£25,000	£26,100	£700	£25,400
Later Years	10	£10,000	£10,900	£800	£10,100	£25,000	£27,300	£1,400	£25,900
	15	£10,000	£11,400	£1,200	£10,200	£25,000	£28,500	£2,100	£26,400
	20	£10,000	£11,900	£1,600	£10,300	£25,000	£29,900	£3,000	£26,900
	25	£10,000	£12,500	£2,000	£10,500	£25,000	£31,200	£3,800	£27,400
	30	£10,000	£13,000	£2,300	£10,700	£25,000	£32,700	£4,800	£27,900
At Age 65	40	£10,000	£14,300	£3,200	£11,100	£25,000	£35,700	£6,700	£29,000

	At end of Year	Transfer Value £50,000			
		Investment to Date	Value Before Charges	Effect of Deductions to Date	What You Might Get Back
Early Years	1	£50,000	£50,400	£300	£50,100
	2	£50,000	£50,900	£600	£50,300
	3	£50,000	£51,300	£800	£50,500
	4	£50,000	£51,800	£1,100	£50,700
	5	£50,000	£52,200	£1,300	£50,900
Later Years	10	£50,000	£54,600	£2,700	£51,900
	15	£50,000	£57,100	£4,200	£52,900
	20	£50,000	£59,800	£5,900	£53,900
	25	£50,000	£62,500	£7,600	£54,900
	30	£50,000	£65,400	£9,500	£55,900
At Age 65	40	£50,000	£71,500	£13,400	£58,100

EXAMPLE 2: TRANSFER VALUE PLUS REGULAR MONTHLY CONTRIBUTIONS

The following tables show the potential value of the Ready-Made Pension Account at age 65, and the annuity this could give you, both with and without taking a tax-free lump sum of 25% of the value of your Account.

These figures are only an indication, as we can't predict future investment growth or inflation rates. The value of your Pension can fall and rise and is not guaranteed. This means you could get back less than you have paid in.

Years to Retirement	Transfer Value	£10,000		£25,000		£50,000	
	Plus regular monthly contributions	£100	£200	£100	£200	£100	£200
40 Years	If investments grow each year until age 65 at	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
	Projected Account value	£47,600	£83,900	£65,200	£101,000	£94,200	£130,000
	Potential tax-free lump sum Plus a taxable annual income of	£11,900 £2,000	20,900 £3,530	£16,300 £2,740	£25,300 £4,260	£23,500 £3,960	£32,600 £5,490
	Or, if you don't take a tax-free lump sum, a taxable annual income of	£2,670	£4,700	£3,660	£5,690	£5,290	£7,320
30 Years	If investments grow each year until age 65 at	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
	Projected Account value	£40,000	£68,900	£56,900	£85,800	£84,900	£113,000
	Potential tax-free lump sum Plus a taxable annual income of	£10,000 £1,710	£17,200 £2,960	£14,200 £2,440	£21,400 £3,680	£21,200 £3,640	£28,400 £4,880
	Or, if you don't take a tax-free lump sum, a taxable annual income of	£2,290	£3,950	£3,250	£4,910	£4,860	£6,510
20 Years	If investments grow each year until age 65 at	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
	Projected Account value	£31,300	£52,000	£47,600	£68,200	£74,500	£95,200
	Potential tax-free lump sum Plus a taxable annual income of	£7,830 £1,370	£13,000 £2,280	£11,900 £2,080	£17,000 £2,990	£18,600 £3,270	£23,800 £4,170
	Or, if you don't take a tax-free lump sum, a taxable annual income of	£1,830	£3,040	£2,780	£3,990	£4,360	£5,560
10 Years	If investments grow each year until age 65 at	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
	Projected Account value	£21,400	£32,500	£37,000	£48,100	£63,000	£74,100
	Potential tax-free lump sum Plus a taxable annual income of	£5,350 £959	£8,130 £1,460	£9,260 £1,660	£12,000 £2,160	£15,700 £2,820	£18,500 £3,320
	Or, if you don't take a tax-free lump sum, a taxable annual income of	£1,270	£1,940	£2,210	£2,880	£3,760	£4,430

What are the growth rates used in these illustrations?

These example illustrations are based on a Ready-Made Pension Account that invests in our Retirement Portfolio to age 65.

The values are based on a 'mid' growth rate assumption of 2.92%, to which we have applied assumed price inflation of 2.0% each year to give a growth rate of 0.9%.

What are the charges?

The Account Charge covers the cost of administering your Ready-Made Pension Account. This is a tiered % charge of 0.30% of your Pension Account, subject to a minimum of £5 a month, which will be deducted monthly from your Account.

We review these charges on an annual basis and they may increase as set out in the Ready-Made Pensions Terms & Conditions.

Ongoing investment charges are made by the fund manager, and apply to each fund you are invested in, based on the value of the investment in that fund. The Ongoing Charges are between 0.22% – 0.23% per annum. These may change in the future.

EXAMPLE 2:**TRANSFER VALUE PLUS REGULAR MONTHLY CONTRIBUTIONS** (CONTINUED)**How the charges reduce the value of your pension**

The tables below show how the value of the Ready-Made Pension may grow, before Charges are taken and after Account and Ongoing investment Charges are taken. All pension providers have to provide these figures to help you compare their charges.

We have assumed investments will grow at 0.9% each year, taking into account assumed inflation at 2.0%. These rates are not guaranteed, and growth could be more or less than this. Please note, Ready-Made Pension Account charges exclude VAT.

	At end of Year	Transfer Value £10,000 plus regular monthly contributions £100				Transfer Value £10,000 plus regular monthly contributions £200			
		Investment to Date	Value Before Charges	Effect of Deductions to Date	What You Might Get Back	Investment to Date	Value Before Charges	Effect of Deductions to Date	What You Might Get Back
Early Years	1	£11,100	£11,200	£0	£11,200	£12,300	£12,400	£100	£12,300
	2	£12,300	£12,500	£200	£12,300	£14,700	£14,900	£200	£14,700
	3	£13,400	£13,800	£300	£13,500	£16,900	£17,300	£300	£17,000
	4	£14,600	£15,000	£300	£14,700	£19,200	£19,700	£300	£19,400
	5	£15,700	£16,300	£500	£15,800	£21,400	£22,100	£1,200	£21,600
Later Years	10	£20,800	£22,300	£1,000	£21,300	£31,700	£33,700	£1,200	£32,500
	15	£25,500	£28,100	£1,600	£26,500	£41,100	£44,900	£2,300	£42,600
	20	£29,800	£33,800	£2,500	£31,300	£49,600	£55,600	£3,600	£52,000
	25	£33,600	£39,300	£3,500	£35,800	£57,300	£66,100	£5,300	£60,800
	30	£37,100	£44,600	£4,600	£40,000	£64,300	£76,200	£7,300	£68,900
At Age 65	40	£43,100	£55,100	£7,500	£47,600	£76,300	£96,000	£12,100	£83,900

	At end of Year	Transfer Value £25,000 plus regular monthly contributions £100				Transfer Value £25,000 plus regular monthly contributions £200			
		Investment to Date	Value Before Charges	Effect of Deductions to Date	What You Might Get Back	Investment to Date	Value Before Charges	Effect of Deductions to Date	What You Might Get Back
Early Years	1	£26,100	£26,400	£200	£26,200	£27,300	£27,600	£200	£27,400
	2	£27,300	£27,800	£300	£27,500	£29,700	£30,200	£300	£29,900
	3	£28,400	£29,200	£400	£28,800	£31,900	£32,700	£400	£32,300
	4	£29,600	£30,600	£600	£30,000	£34,200	£35,300	£700	£34,600
	5	£30,700	£31,900	£700	£31,200	£36,400	£37,800	£800	£37,000
Later Years	10	£35,800	£38,700	£1,700	£37,000	£46,700	£50,100	£2,000	£48,100
	15	£40,500	£45,300	£2,800	£42,500	£56,100	£62,000	£3,500	£58,500
	20	£44,800	£51,700	£4,100	£47,600	£64,600	£73,600	£5,400	£68,200
	25	£48,600	£58,000	£5,600	£52,400	£72,300	£84,800	£7,500	£77,300
	30	£52,100	£64,300	£7,400	£56,900	£79,300	£95,800	£10,000	£85,800
At Age 65	40	£58,100	£76,600	£11,400	£65,200	£91,300	£117,000	£116,000	£101,000

EXAMPLE 2:

TRANSFER VALUE PLUS REGULAR MONTHLY CONTRIBUTIONS (CONTINUED)

How the charges reduce the value of your pension (continued)

	At end of Year	Transfer Value £50,000 plus regular monthly contributions £100				Transfer Value £50,000 plus regular monthly contributions £200			
		Investment to Date	Value Before Charges	Effect of Deductions to Date	What You Might Get Back	Investment to Date	Value Before Charges	Effect of Deductions to Date	What You Might Get Back
Early Years	1	£51,100	£51,600	£300	£51,300	£52,300	£52,800	£300	£52,500
	2	£52,300	£53,200	£500	£52,700	£54,700	£55,600	£500	£55,100
	3	£53,400	£54,900	£900	£54,000	£56,900	£58,400	£800	£57,600
	4	£54,600	£56,500	£1,100	£55,400	£59,200	£61,200	£1,200	£60,000
	5	£55,700	£58,100	£1,400	£56,700	£61,400	£63,900	£1,500	£62,400
Later Years	10	£60,800	£66,100	£3,100	£63,000	£71,700	£77,500	£3,400	£74,100
	15	£65,500	£73,900	£5,000	£68,900	£81,100	£90,600	£5,600	£85,000
	20	£69,800	£81,600	£7,100	£74,500	£89,600	£103,000	£7,800	£95,200
	25	£73,600	£89,300	£9,500	£79,800	£97,300	£116,000	£12,000	£104,000
	30	£77,100	£97,000	£12,100	£84,900	£104,000	£128,000	£15,000	£113,000
At Age 65	40	£83,100	£112,000	£17,800	£94,200	£116,000	£153,000	£23,000	£130,000

EXAMPLE 3: SINGLE CONTRIBUTIONS

The following tables show the potential value of the Ready-Made Pension Account at age 65, and the annuity this could give you, both with and without taking a tax-free lump sum of 25% of the value of your Account.

These figures are only an indication, as we can't predict future investment growth or inflation rates. The value of your Pension can fall and rise and is not guaranteed. This means you could get back less than you have paid in.

Years to Retirement	Single Contribution	£5,000	£10,000	£25,000
40 Years	If investments grow each year until age 65 at	0.9%	0.9%	0.9%
	Projected Account value	£4,610	£11,100	£29,000
	Potential tax-free lump sum Plus a taxable annual income of	£1,150 £194	£2,780 £468	£7,260 £1,220
	Or, if you don't take a tax-free lump sum, a taxable annual income of	£258	£624	£1,630
30 Years	If investments grow each year until age 65 at	0.9%	0.9%	0.9%
	Projected Account value	£4,600	£10,700	£27,900
	Potential tax-free lump sum Plus a taxable annual income of	£1,150 £197	£2,680 £460	£6,990 £1,200
	Or, if you don't take a tax-free lump sum, a taxable annual income of	£263	£614	£1,600
20 Years	If investments grow each year until age 65 at	0.9%	0.9%	0.9%
	Projected Account value	£4,650	£10,300	£26,900
	Potential tax-free lump sum Plus a taxable annual income of	£1,160 £204	£2,590 £455	£6,730 £1,180
	Or, if you don't take a tax-free lump sum, a taxable annual income of	£272	£607	£1,570
10 Years	If investments grow each year until age 65 at	0.9%	0.9%	0.9%
	Projected Account value	£4,780	£10,100	£25,900
	Potential tax-free lump sum Plus a taxable annual income of	£1,190 £214	£2,530 £454	£6,480 £1,160
	Or, if you don't take a tax-free lump sum, a taxable annual income of	£286	£606	£1,550

What are the growth rates used in these illustrations?

These example illustrations are based on a Ready-Made Pension Account that invests in our Retirement Portfolio to age 65.

The values are based on a 'mid' growth rate assumption of 2.92%, to which we have applied assumed price inflation of 2.0% each year to give a growth rate of 0.9%.

What are the charges?

The Account Charge covers the cost of administering your Ready-Made Pension Account. This is a tiered % charge of 0.30% of your Pension Account, subject to a minimum of £5 a month, which will be deducted monthly from your Account.

We review these charges on an annual basis and they may increase as set out in the Ready-Made Pensions Terms & Conditions.

Ongoing investment charges are made by the fund manager, and apply to each fund you are invested in, based on the value of the investment in that fund. The Ongoing Charges are between 0.22% – 0.23% per annum. These may change in the future.

EXAMPLE 3:

SINGLE CONTRIBUTIONS (CONTINUED)

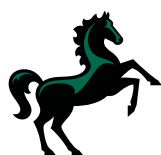
How the charges reduce the value of your pension

The tables below show how the value of the Ready-Made Pension may grow, before Charges are taken and after Account and Ongoing investment Charges are taken. All pension providers have to provide these figures to help you compare their charges.

We have assumed investments will grow at 0.9% each year, taking into account assumed inflation at 2.0%. These rates are not guaranteed, and growth could be more or less than this. Please note, Ready-Made Pension Account charges exclude VAT.

	At end of Year	Single contribution £5,000				Single contribution £10,000			
		Investment to Date	Value Before Charges	Effect of Deductions to Date	What You Might Get Back	Investment to Date	Value Before Charges	Effect of Deductions to Date	What You Might Get Back
Early Years	1	£5,000	£5,040	£70	£4,970	£10,000	£10,000	£0	£10,000
	2	£5,000	£5,090	£150	£4,940	£10,000	£10,100	£0	£10,000
	3	£5,000	£5,130	£210	£4,920	£10,000	£10,200	£0	£10,000
	4	£5,000	£5,182	£282	£4,900	£10,000	£10,300	£300	£10,000
	5	£5,000	£5,220	£340	£4,880	£10,000	£10,400	£400	£10,000
Later Years	10	£5,000	£5,460	£680	£4,780	£10,000	£10,900	£800	£10,100
	15	£5,000	£5,710	£1,000	£4,710	£10,000	£11,400	£1,200	£10,200
	20	£5,000	£5,980	£1,330	£4,650	£10,000	£11,900	£1,600	£10,300
	25	£5,000	£6,250	£5,630	£4,620	£10,000	£12,500	£2,000	£10,500
	30	£5,000	£6,540	£1,940	£4,600	£10,000	£13,000	£2,300	£10,700
At Age 65	40	£5,000	£7,150	£9,690	£4,610	£10,000	£14,300	£3,200	£11,100

	At end of Year	Single contribution £25,000			
		Investment to Date	Value Before Charges	Effect of Deductions to Date	What You Might Get Back
Early Years	1	£25,000	£25,200	£200	£25,000
	2	£25,000	£25,400	£300	£25,100
	3	£25,000	£25,600	£400	£25,200
	4	£25,000	£25,900	£600	£25,300
	5	£25,000	£26,100	£700	£25,400
Later Years	10	£25,000	£27,300	£1,400	£25,900
	15	£25,000	£28,500	£2,100	£26,400
	20	£25,000	£29,900	£3,000	£26,900
	25	£25,000	£31,200	£3,800	£27,400
	30	£25,000	£32,700	£4,800	£27,900
At Age 65	40	£25,000	£35,700	£6,700	£29,000



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Ready-Made Pension is provided by Embark Investment Services Limited, a company incorporated in England and Wales (company number 09955930) with its registered office at 33 Old Broad Street, London, EC2N 1HZ. Embark Investment Services Limited is authorised and regulated by the Financial Conduct Authority (Financial Services Register number 737356).