keyfacts®

PRUDENTIAL

AVC (Additional Voluntary Contribution)

Key Features Illustration

About this Key Features Illustration

The Financial Conduct Authority is a financial services regulator. It requires us, Prudential, to give you this important information to help you decide whether Additional Voluntary Contributions (AVCs) are right for you. You should read this document carefully so that you understand what you are buying, then keep it safe for future reference.

You should also read the Key Features Document which will provide you with important information regarding the key risks and benefits of AVCs.

The purpose of this illustration is to show you an example of what you might get back if you were to invest regular monthly contributions into an AVC plan.

The figures in the "What your benefits might be" table are only examples and are not guaranteed – they are not minimum or maximum amounts you might expect to get back.

What you get back depends on a number of factors including:

- how much you pay in
- how long you pay in for
- charges and costs
- performance of your investment

A personalised illustration is available on request from us.

We'll send you annual statements to help you keep track of your investment.

Please call us if you have any questions on **0345 640 3000**. Opening hours are 8am to 6pm, Monday to Friday (GMT).

Your actual AVC fund value could be more or less than the amount shown in this example, and you may get back less than you pay in.

You don’t have to buy an income, or annuity, with your AVC fund value. You have number of options to choose from; details of these are in your Key Features Document.

The annual pension amount shown is an example of the pension you might get at your chosen pension age at today’s prices.

The figures are based on an assumed inflation rate of 2.0% per year. Actual inflation could be more or less, so the actual buying power of your pension could be higher or lower than the amount shown.

What your benefits might be

When calculating this illustration we've used the following assumptions.

Projected fund value assumptions

- Inflation rate of 2.0% (this reduces the annual growth rate by 2.0%)
- Annual growth rate of 5% (this is reduced to 3.0% by inflation)
- An ongoing Annual Management Charge of 0.75%
- The monthly contributions are gross so already include any tax savings.

Annual pension assumptions

- The annual pension amount assumes you've taken the full AVC fund value as an income (annuity), and will buy an annuity that increases every year in line with the Retail Prices Index.
- The annual pension amount will be paid monthly from retirement for as long as you live.
- Annual investment growth once the pension starts will be –2.60%. Although this assumed growth rate is negative, this doesn't mean that the annuity payments would reduce in real terms from year to year. This is because the value of the annual pension amount would change each year in line with the Retail Prices Index.
- The pension amounts shown don't take into account any income tax deductions that may apply. The actual tax you pay will depend on your circumstances and rules can also change.

Your Age	Monthly contribution	Contribution years	Retirement Age	Projected AVC Fund Value	Annual Pension Amount
35	£100	30	65	£39,300	£995
40	£300	20	60	£75,400	£1,540
45	£400	15	60	£74,100	£1,550
55	£600	10	65	£73,200	£2,000
60	£700	5	65	£42,300	£1,170

What are the charges and costs?

For this illustration we have assumed an Annual Management Charge (AMC) of 0.75% of the value of the fund. If your fund is valued at £500 throughout the year, this means we'll charge £3.75 that year. If your fund is valued at £7,500 throughout the year, we'll charge £56.25. Your charges and costs may differ. Charges and costs can vary in the future and may be higher than they are now. Please refer to your Key Features Document and your Fund Guide for more detail on the charges and costs applicable to your plan.

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