

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 expenses
- › performance of your investment

A personalised illustration is available on request from Prudential.

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).

Important information – please read before continuing

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 a 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 2.5% 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 2.5% (this reduces the annual growth rate by 2.5%)
- › Annual growth rate of 5% (this is reduced to 2.5% by inflation)
- › An ongoing Annual Management Charge of 0.75%
- › The monthly contributions increase by 1% each year
- › The monthly contributions are gross so already include any tax savings
- › The monthly contributions are for a basic rate taxpayer.

The actual tax you pay depends on your individual circumstances. Tax rules may change in the future.

Annual pension assumptions

- › The annual pension amount assumes you've taken the full AVC fund value as an income (annuity).
- › The annual pension amount will be paid monthly from retirement for as long as you live.
- › These monthly payments will be treated as income.

Your Age	Monthly contribution	Contribution years	Retirement Age	Projected AVC Fund Value	Annual Pension Amount
35	£100	30	65	£80,200	£2,010
40	£300	20	60	£121,000	£2,530
45	£400	15	60	£106,000	£2,250
55	£600	10	65	£93,000	£4,250
60	£700	5	65	£47,600	£1,340

What are the charges?

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 £4 that year. If your fund is valued at £7,500 throughout the year, we'll charge £60. Your actual AMC could be different depending on your investment choice. Please refer to your Key Features Document for more detail on the charges applicable to your plan.

Arrangement costs

It'll cost us approximately £61 to arrange your AVC plan. This cost has already been included in the illustration figures.



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