



FUND CHARGES FACTSHEET

For Lloyds Banking Group Pension Schemes

This guide lists the current fund charges and provides you with details of where to find further information about your investment options.

Investment costs

The trustees have negotiated excellent rates with the investment managers. This ensures the costs you pay are exceptionally low for the type of funds offered. There are three areas where costs will arise:

Administration

The investment options are delivered to you via an investment platform provided by Phoenix Corporate Investment Services, giving you access to a wide range of investment funds. The charges for providing this service are met fully by the trustees.

Unit pricing

Historically, the price at which contributions bought units in a fund (the offer price) was at any given time greater than the value you would have received if you had sold these units (the bid price). The difference between the bid and offer prices (the 'bid-offer spread') represented a 'hidden' charge primarily to cover dealing costs.

Similar to most defined contribution arrangements, our schemes operate on a single pricing basis. The price at which units can be bought and sold on any given day will be the same. However, that price can be anywhere in the range between the bid and offer prices. The investment managers set the price for each fund based on how much is being invested or disinvested on any one day (if more units are purchased than sold in a day, the offer price is used, and if more units are sold than purchased, the bid price is used).

Management charges

Charges are measured by the Total Expense Ratio (TER). The TER is the cost of running the fund, expressed as a percentage of the fund's value. The TER includes investment management fees (which are usually a fixed percentage), plus trading, legal and other costs incurred in managing the fund, which can vary over time.

Investment choices

See the Investments section of the Group Pensions website for more information about the investment options available to you.



Reviewing investment performance

The trustees set and agree the objectives and performance targets for each fund with the investment managers. These will be regularly reviewed and the trustees reserve the right to change the choice of funds and the investment managers at any time.

Fund details

These are the current investment managers, benchmarks of the funds, and fund charges:

Fund name	Investment manager	Benchmark	Fund charges (Total Expense Ratio)
Global Equity Fund	92.5% Legal & General Investment Management (global equities) / 7.5% Somerset (emerging markets)	MSCI All World Index	0.125%
Mixed Investment Fund	50% Legal & General Investment Management / 25% AQR / 25% Invesco	UK Consumer Price Index (CPI)	0.345%
Annuity Focus Fund	Legal & General Investment Management	A composite of the indices of the underlying funds in which it invests, with the aim of producing returns in line with changes in UK annuity rates	0.065%
Emerging Markets Equity Fund	75% Somerset/25% Legal & General Investment Management	MSCI Emerging Markets Index	0.70%
Property and Infrastructure Fund	75% Legal & General Investment Management (property) / 25% MFG Asset Management (infrastructure)	UK Consumer Price Index (CPI)	0.375%
Bond Fund	Wellington	ICE BofA ML Global Corporate Hedge GBP	0.25%
Cash Fund	Legal & General Investment Management	7 Day LIBID	0.0625%
UK Equity Fund	Legal & General Investment Management	FTSE All Share Index	0.0275%
North America Equity Fund	Legal & General Investment Management	FTSE AW - Developed North America Index	0.04%
Europe (excluding UK) Equity Fund	Legal & General Investment Management	FTSE AW - Developed Europe (ex UK) Index	0.0425%
Japan Equity Fund	Legal & General Investment Management	FTSE AW - Japan Index	0.045%
Asia Pacific (excluding Japan) Equity Fund	Legal & General Investment Management	FTSE AW - Developed Asia Pacific (ex Japan) Index	0.0475%