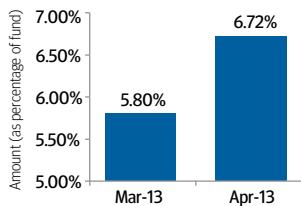


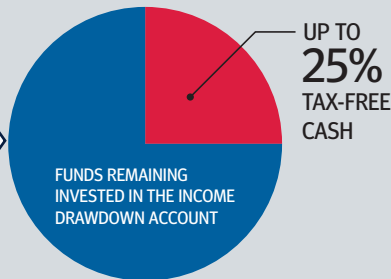
Increased flexibility announced in Budget: can you benefit?

INCOME DRAWDOWN: AN ALTERNATIVE TO AN ANNUITY

HOW INCOME LIMITS HAVE CHANGED



Income is drawn directly from the fund (Figures for a 65-year-old and based on the prevailing gilt rate for each starting month).



Interest in income drawdown has increased over the last few years as investors seek flexibility at retirement.

Income drawdown is the main alternative to a secure pension income, known as an annuity. You remain in control but crucially, income is not guaranteed, there are risks and therefore it is not suitable for everyone. We explain how drawdown works in the box to the right. Two announcements from the 2013 Budget make drawdown more flexible.

1. INCOME LIMITS HAVE INCREASED 20%

Each year, there are limits to the amount of income you can take, choosing from zero up to the maximum. This maximum has increased by 20%.

How might I benefit?

This change allows the flexibility to take more income if you need it. In reality, you may not want to take the maximum as it might not be sustainable and could prematurely erode your fund value. Around half our drawdown clients take tax-free cash and then no income at all.

New drawdown investors can take advantage of the increase straight away. Investors already in income

drawdown can choose to move to the new limit at their next income drawdown review after 25 March 2013.

➤ To see how much income you can draw, request a drawdown illustration by calling our retirement experts on 0117 980 9940 or visiting www.hl.co.uk.

2. TRANSFER TRAP REMOVED

Investors wishing to change their drawdown provider had, until last month, been deterred by HMRC rules triggering an income review on transfer. Thanks to falling gilt yields this reduced their maximum income for up to 4 years.

How might I benefit?

It is now possible to transfer without having an income review, allowing freedom to move provider. Before you transfer, please ensure you will not lose any valuable guarantees or incur excessive exit fees, or lose the benefit of any advice.

➤ Visit www.hl.co.uk to find out about transferring your drawdown policy to the Vantage SIPP without advice.

HOW DOES INCOME DRAWDOWN WORK?

It's a non-secure way of drawing an income directly your pension, instead of buying an annuity. You can normally take up to 25% as a tax-free lump sum and then choose how much, if any, income you will draw from the remaining fund, subject to limits set by the government. The maximum limit is reviewed at least every three years. There is no minimum.

At any time you can buy an annuity, or you may aim to make the income drawdown fund last for your retirement. When you die, there are a number of options for passing any remaining pension onto a spouse or dependant.

Remember, income drawdown is a complex product. Income is not secure. You control and must review where your pension is invested, and how much income you draw. Poor investment performance and excessive income withdrawals will deplete the fund. If you are at all uncertain about the suitability of any investment for your circumstances please seek advice. You should not go into income drawdown without advice unless comfortable making your own decisions.

IMPORTANT NOTES: Income drawdown is a complex product, the income is not secure and your pension remains invested. If the value of the investment falls, your fund value and your income can be reduced, potentially leaving you short of income later in retirement. Annuity quotes are only guaranteed for a limited time; annuity rates can change regularly and may go up or down in future. An annuity is a long term investment. Once set up, income cannot normally be changed or cancelled so it is important to consider your options carefully. It is important to consider the effects of inflation when setting up an annuity income. This bulletin is not advice. If you are unsure of the suitability of any investment please contact us for financial advice. Pension rules are subject to change. Correct as at 05.04.13. May not be reproduced without permission.

UK'S FIRST
ONLINE ENHANCED
ANNUITY QUOTATION TOOL:
WWW.HL.CO.UK/ANNUITY

NEW SERVICE: ENHANCE YOUR ANNUITY INCOME IN MINUTES



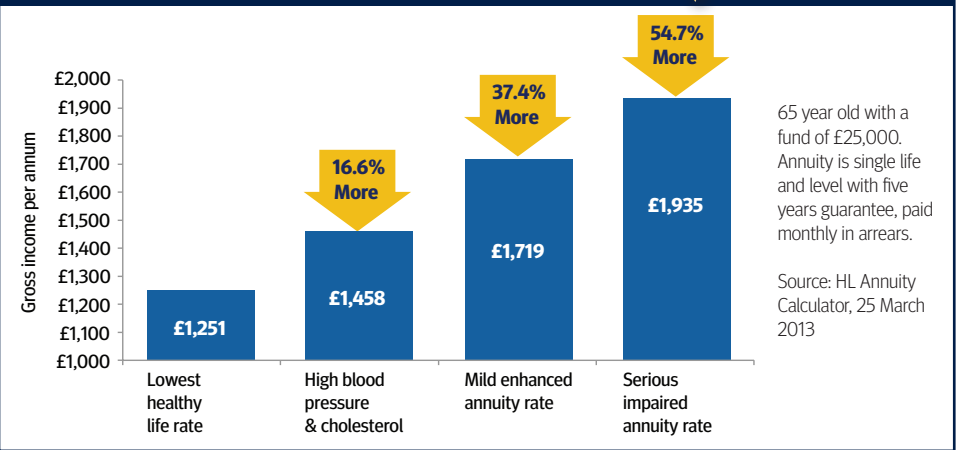
An enhanced annuity could pay you substantially more than standard rates, due to your lifestyle or health. Annuity specialist MGM Advantage estimate 70% of the UK population at retirement could be eligible.

There are over 1,500 medical conditions which could mean you get a better deal. Our new enhanced service allows you to see if you qualify for an enhanced quote online, in minutes. It's the first in the UK, why not give it a try?

THREE STEPS TO A BETTER INCOME

- 1 Visit www.hl.co.uk/annuity to get an annuity quote taking your basic details into account;
- 2 Once you see results, click "Enhance this rate";
- 3 Answer questions about your health and you could receive instant enhanced quotes live on screen.

WHAT DIFFERENCE MIGHT AN ENHANCED ANNUITY MAKE?



The service compares quotes from a panel of most of the main annuity providers. Setting up your annuity income is easy, print

and send your completed forms to us, then we'll do the rest of the work for you. If you have any questions call us on 0117 980 9940.

AT A GLANCE ...

GENERAL ANNUITY RATES - NOTE, POSTCODE IS AN IMPORTANT FACTOR SO BE SURE TO OBTAIN A QUOTE USING YOURS

Age	Basic annuity guaranteed for 5 years	With inflation proofing	With 50% spouse's pension
60	£5,064	£2,823	£4,704
65	£5,838	£3,516	£5,278
70	£6,765	£4,433	£6,064

Male and female rates equal. Annuity gross income per annum for £100,000 purchase price, paid monthly in advance and an average rated postcode, for non-smoking healthy individual. Spouse assumed 3 years younger. HL Annuity Calculator 05 April 2013.

APRIL INCOME LIMITS FOR INCOME DRAWDOWN

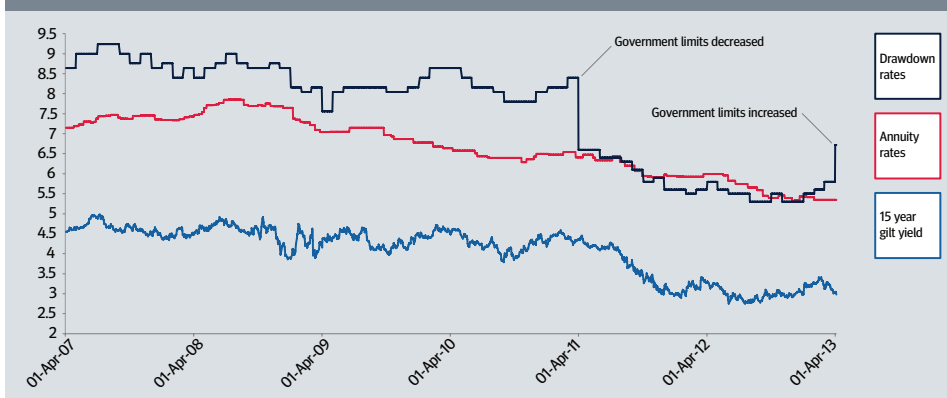
Age	Maximum capped drawdown	Minimum	Flexible drawdown
60	£5,880	Nil	Unlimited
65	£6,720	Nil	Unlimited
70	£7,920	Nil	Unlimited

Male and female rates equal and based on £100,000 fund. To qualify for flexible drawdown you must meet certain criteria which include already being in receipt of a secure pension income of £20,000 p.a. minimum.

ANNUITY RATE MOVEMENTS - THE FOLLOWING PROVIDERS HAD RATE CHANGES IN THE LAST FOUR WEEKS

Provider	Date of change	Change
Canada Life	14/03/2013	↑
Legal & General	18/03/2013	↑
Standard Life	21/03/2013	↑
Legal & General	25/03/2013	MIXED (some enhanced cases only)
AVIVA	26/03/2013	MIXED
LIFE	29/03/2013	↓

HARGREAVES LANSDOWN RETIREMENT INDEX (%)



This graph shows the best annuity rate on our panel at the time of quoting. It is a general guide to the rates available for just one type of annuity and should not be used as a guide to future rates. Source: Markit IBoxx Benchmark Indices 15 yrs + and HL Annuity Calculator. £100,000 purchase price, single life, paid monthly in advance, for a non-smoking healthy individual. Annuity and drawdown rates are for a 65-year-old. Rates are for a male up to December 2012 and unisex thereafter.

WHY CHOOSE THE HL VANTAGE SIPP FOR INCOME DRAWDOWN?

- Low charges
- Wide investment choice and research: thousands of investment funds, UK and overseas shares, bonds, cash, investment trusts.
- Easy to set up. Manage your account and portfolio for yourself online, as well as by post and phone.
- A loyalty bonus on funds of up to 0.5%.
- Ability to continue drawdown beyond age 75.
- Only pay for the advice you need: The Vantage SIPP is offered without advice. If you do require advice you can simply pay for the level of assistance you need.