

Example illustration

Purpose of this example illustration

This isn't a personal illustration, it is based on the assumptions detailed later on in this document. The purpose of the illustration is to show how fund related costs and charges can affect the overall value of the funds that we've chosen to illustrate on over a period of time.

Fund transaction costs and charges total (%)

	Lifestyle (Passive Long dated Gilt / Diversified Global Equity / Sterling Liquidity)*	Diversified Global Equity	Sterling Liquidity
Growth	0.00% to 3.00%	3.00%	0.00%
AMC	0.50% to 0.68%	0.68%	0.50%
AAE	0.00% to 0.04%	0.04%	0.00%
TC	0.00% to 0.09%	0.09%	0.00%

* As the Lifestyle investment option consists of multiple investment funds we have shown the range of growth and fund costs & charges.

Growth is the assumed growth rate for the fund after taking into account assumed price inflation of 2% per annum.

AMC is the Annual Management Charge, which is a yearly management charge expressed as an annual percentage but calculated and deducted on a daily basis from the fund.

AAE are the Additional Annual Expenses, which are an estimate of any additional fees and expenses that may apply, such as fees for custody, administration and trustee services that may be incurred in addition.

TC are the Transaction Costs, which are an estimate of explicit and implicit costs incurred as a result of buying, selling, lending or borrowing of investments in the fund, based on the actual annual transaction costs for the period 01/01/2020 to 31/12/2022.

The impact of transaction costs and charges on fund values (£)

The 'Before Charges' column shows each fund value without any transaction costs, charges or expenses being applied to the fund's holdings.

The 'After all charges' column shows the fund's holdings after transaction costs, charges and expenses have been deducted.

Years	Lifestyle (Passive Long dated Gilt / Diversified Global Equity / Sterling Liquidity)*		Diversified Global Equity		Sterling Liquidity	
	Before Charges	After all charges	Before Charges	After all charges	Before Charges	After all charges
1	1610	1603	1610	1603	1586	1581
3	5045	4982	5045	4982	4827	4790
5	8780	8600	8780	8600	8164	8063
10	19575	18778	19575	18778	16947	16537
15	32743	30755	32743	30755	26395	25459
20	48704	44778	48704	44778	36558	34867
25	67945	61124	67945	61124	47491	44802
30	91033	80105	91033	80105	59252	55310
35	118627	102071	118627	102071	71903	66438
40	151491	127416	151491	127416	85512	78237
45	189446	155792	190512	156580	100152	90763
49	208746	169874	226851	182991	112658	101346

About this illustration

The current age is 16 and retirement age is 65.

The current salary is £20,000 and will increase each year by 3.5%.

Future contributions paid will be 8% of the salary (£133.33 each month increasing by 3.5% each year in line with assumed salary increases).

We've shown the default Lifestyle (Passive Long dated Gilt / Diversified Global Equity / Sterling Liquidity) option that the majority of members invest in.

We've also shown the Diversified Global Equity fund and the Sterling Liquidity fund to show the funds with the highest and lowest charges for comparison

Investment growth

We've taken account of statutory guidance when preparing these illustrations. The value of the investments will grow at a rate appropriate to the funds invested in and inflation will be 2.0% every year. This is an illustrative growth rate only. The investment growth achieved may be more or less than this and may vary depending on the fund(s) invested in.

The assumed growth rate used for each fund is shown above.

If the growth rate we've used is:

- the same as the rate of inflation this reduces the growth rate, after making an allowance for inflation, to 0%;
- less than the rate of inflation, this produces a negative growth rate after making an allowance for inflation.