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 Global Equity (60/40) / Passive Index Linked Gilt / Passive Long dated Gilt / Sterling Liquidity)*	Diversified Global Equity	Sterling Liquidity
Growth	0.00% to 3.00%	3.00%	0.00%
AMC	0.50% to 0.60%	0.90%	0.50%
AAE	0.00%	0.04%	0.00%
TC	0.03% to 0.10%	0.14%	0.07%

* 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 01/01/2021 to 31/12/2025.

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.

	Lifestyle (Passive Global Equity (60/40) / Passive Index Linked Gilt / Passive Long dated Gilt / Sterling Liquidity)*		Diversified Global Equity		Sterling Liquidity	
Years	Before Charges	After all charges	Before Charges	After all charges	Before Charges	After all charges
1	1610	1605	1610	1601	1586	1581
3	5045	4996	5045	4961	4827	4785
5	8780	8639	8780	8541	8164	8049
10	19575	18952	19575	18522	16947	16480
15	32743	31183	32743	30128	26395	25331
20	48704	45614	48704	43562	36558	34638
25	67945	62560	67945	59050	47491	44443
30	91033	82379	91033	76845	59252	54788
35	118627	105478	118627	97227	71903	65720
40	151491	132313	151491	120506	85512	77289
45	189446	162504	190512	147029	100152	89550
49	208746	176741	226851	170838	112658	99894

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 Global Equity (60/40) / Passive Index Linked Gilt / Passive Long dated Gilt / 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.