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 (%)

	AE Lifestyle (Diversified Beta / Passive Long dated Gilt / Sterling Liquidity)*	Passive Global Equity	Diversified UK Equity
Growth	0.00% to 3.00%	3.00%	3.00%
AMC	0.50%	0.50%	0.80%
AAE	0.00% to 0.01%	0.00%	0.04%
TC	0.02% to 0.07%	0.02%	0.09%

* 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.

	AE Lifestyle (Diversified Beta / Passive Long dated Gilt / Sterling Liquidity)*		Passive Global Equity		Diversified UK Equity	
Years	Before Charges	After all charges	Before Charges	After all charges	Before Charges	After all charges
1	1610	1606	1610	1602	1610	1606
3	5045	5001	5045	4973	5045	5004
5	8780	8655	8780	8573	8780	8664
10	19575	19020	19575	18664	19575	19059
15	32743	31352	32743	30475	32743	31448
20	48704	45944	48704	44232	48704	46134
25	67945	63130	67945	60191	67945	63459
30	91033	83286	91033	78634	91033	83811
35	118627	106842	118627	99880	118627	107633
40	151491	134283	151491	124282	151491	135426
45	189446	165226	190512	152238	190512	167761
49	208746	179693	226851	177455	226851	197329

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 AE Lifestyle (Diversified Beta / Passive Long dated Gilt / Sterling Liquidity) option that the majority of members invest in.

We've also shown the Passive Global Equity fund and the Diversified UK Equity 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.