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 (%)

	New Lifestyle 01/08/2013 (Pre-Retirement (£ fixed interest) / Retirement Builder Mixed Invt / Sterling Liquidity)*	Active Global (ex-UK) Equity	Pre-Retirement (£ Fxd Interest)
Growth	0.00% to 2.75%	3.00%	0.50%
AMC	0.60%	0.90%	0.60%
AAE	0.00% to 0.01%	0.07%	0.00%
TC	0.05% to 0.11%	0.36%	0.11%

* 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.

	New Lifestyle 01/08/2013 (Pre-Retirement (£ fixed interest) / Retirement Builder Mixed Invt / Sterling Liquidity)*		Active Global (ex-UK) Equity		Pre-Retirement (£ Fxd Interest)	
Years	Before Charges	After all charges	Before Charges	After all charges	Before Charges	After all charges
1	1608	1602	1610	1599	1589	1583
3	5022	4971	5045	4942	4857	4804
5	8715	8569	8780	8486	8247	8101
10	19283	18643	19575	18290	17285	16691
15	32008	30424	32743	29563	27176	25808
20	47239	44133	48704	42475	37990	35494
25	65377	60022	67945	57212	49799	45794
30	86883	78369	91033	73981	62683	56757
35	112285	99486	118627	93008	76726	68435
40	142187	123720	151491	114541	92019	80883
45	173915	148530	190512	138856	108662	94162
49	191779	161269	226851	160513	123019	105426

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 New Lifestyle 01/08/2013 (Pre-Retirement (£ fixed interest) / Retirement Builder Mixed Invt / Sterling Liquidity) option that the majority of members invest in.

We've also shown the Active Global (ex-UK) Equity fund and the Pre-Retirement (£ Fxd Interest) 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.