

THE CAREY WORKPLACE PENSION TRUST
CHAIRMAN'S ANNUAL STATEMENT
FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Introduction

This statement has been prepared by the trustees of the Carey Workplace Pension Trust ("the Scheme") in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended) (the "Regulations"). It describes how the trustees have met the statutory governance standards in relation to the following requirements during the year ended 31 March 2019:

- Default arrangements
- Processing financial transactions
- Charges and transaction costs
- Value for members
- Trustee knowledge and understanding
- Non-affiliation of trustees and member representation

Default arrangements

A copy of the latest Statement of Investment Principles dated 20 September 2019 covering the scheme's default funds is attached. This has been updated to incorporate the Trustees' ESG policy and has been prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005.

No review of the default funds was undertaken during the period 1 April 2018 to 31 March 2019 with the last review of the default funds taking place in Q3 2017. The trustees, along with their newly appointed Investment Adviser, are due to perform a full review of the default funds by the end of March 2020. During this period the Trustees enacted the previously agreed decision to switch the AllianceBernstein Birthstar 10 year target dated funds to the AllianceBernstein 3 year Target Funds.

The board hold a minimum of two separate investment meetings per year, to focus on the Scheme's investment requirements, and invite the default managers to these to present and provide updates regarding the default funds.

In the fourth quarter of 2018 two existing Master Trusts were transferred into the Scheme and operate as separate sections with the Scheme. The Amber Pension Trust was transferred on 1 October 2018 and uses the AEGON BlackRock DC Lifepath funds as the section default fund. The AGL Corporate Pension Trust was transferred on 1 December 2018 and uses the same AllianceBernstein default funds as the main section of the Scheme. The next review will also consider if these default funds remain appropriate for the members of these sections.

Following the year end a further Master Trust, The Islamic Pension Trust, was transferred into the Scheme on 11 April 2019, and will operate as a separate section within the Scheme.

Processing core financial transactions

We are required to make sure that core financial transactions in the scheme are processed promptly and accurately under regulation 24 of the Regulations.

What are core financial transactions?

Core financial transactions include (but are not limited to) the investment of contributions, transfers of members' assets to or from the Scheme, switches between investment funds in the scheme and payments out of the Scheme to members or their beneficiaries.

Carey Corporate Pensions UK Limited are the appointed Scheme administrator and carry out the processing of core financial transactions on our behalf. The requirements of regulation 24 of the Regulations have been met and core financial transactions have been processed promptly and accurately as follows:

The administrator processes core financial transactions in accordance with Service Level Agreements (SLAs) set out in the Administration Agreement. The administrator monitors these transactions through work logs and a master contribution schedule. Processes adopted by the administrator include:

- daily monitoring of bank accounts to identify monies received
- a dedicated contribution processing team

- checking of investment and banking transactions by two individuals

The SLA's applicable to core financial transactions are as follows:

- Processing contributions - 5 days in total (2 days for reconciliation from receipt of both contribution payment and schedule, plus 3 days for investment of contribution).
- Payment of Transfers out – 5 days to disinvest funds following receipt of signed discharge form, plus 2 days to issue funds to receiving scheme following receipt of disinvested funds.
- Investment of Transfer-in funds – within 5 days of receipt of funds and all necessary paperwork.

The Trustee receives and reviews quarterly administration updates to aid with monitoring of SLAs, and can request that action is taken to improve performance if that is required. The Trustees expect to see an SLA success rate of at least 95% for processing contributions, which has been achieved throughout the year. Where SLAs fall below this figure for any quarter the Trustees are provided with details within the quarterly management reports, and are notified of any cases sent for redress, as noted below. The Trustees have been provided with a demonstration of the administration system to enable them to understand the administration processes.

Any late investments or administration errors are reviewed to identify any loss to members and where required, redress is applied to ensure that members have not been disadvantaged financially.

The administration processes are constantly reviewed to ensure they are robust, particularly as the Scheme grows. The administrator has begun to introduce direct debit collection of pension contributions with the roll out initially to new employer schemes. Plans are continuing for a move to a new administration system within the next 12 months, which will provide greater flexibility, efficiency and increased straight through processing.

As at the year-end there were no identified administrative issues outstanding.

The procedures carried out by the administrator are checked each year by an independent firm of auditors, including those relating to core financial transactions, to ensure these are properly carried out. Their findings are included in our Master Trust Assurance report (AAF 02/07) which can be found on our website <https://www.carepensions.co.uk/cwpt-trustees>.

We are satisfied that the administrator has systems that are robust and capable of processing core financial transactions promptly and accurately in accordance with the agreed administration service levels and the requirements of the law. We are satisfied that the core financial transactions were processed promptly and accurately during the year, and for those few cases where errors or delays occurred, due to the fault of the administrator, any material losses were investigated and made good if required.

Charges and transaction costs and value for money assessment

The level of charges and transaction costs applicable to the default funds during the period are 0.50% of Assets under Administration plus an administration fee of £18 p.a. per member.

A basis point is a unit of measurement used to quantify the change between two percentages – it can also be referred to as 'bp'. A basis point is equal to one hundredth of one percent, or 0.01%, therefore 10 basis points means 0.10%.

The range of the levels of charges and transaction costs applicable to the Scheme's other investment funds during the Scheme year are:

- Assets under Administration fee: 0.50% to 1.92%
- Administration Fee: £18 per annum per member

The trustees have sought information about transaction costs from the investment managers, through either direct requests or through the Investment Manager websites. Information was available from most fund managers, with only a few unable to provide specific transaction cost figures.

- For the main default option, the target dated funds managed by Alliance Bernstein, the manager provided data about the costs of buying and selling units in their fund when monies are invested or disinvested or the fund rebalanced. Alliance Bernstein estimated that this would be between 0.8 and 1.2 basis points for a typical member, and also estimated a further 1 to 3 basis points of additional fund expenses.
- 7IM provided a detailed disclosure of direct transaction costs (commissions and taxes) which ranged from 3 to 9 basis points, with the more adventurous funds at the higher end.
- Quilter Cheviot confirmed the net performance figures published include all explicit and implicit charges.
- AEGON BlackRock default funds for the Amber Section: Transaction costs for the majority of the DC Lifepath funds were in the range of 1 to 11 basis points. AEGON have advised these are variable and in some instances the transaction costs can be negative.

The Trustee will continue to request this information each year.

A table of Transaction cost information received is provided in Appendix 1.

Appendix 2 shows a number of illustrative examples of the cumulative effect over time of the cost and charges on the value of member savings.

These can also be found on our website at <https://www.careypensions.co.uk/cwpt-trustees>.

The Trustees have taken account of statutory guidance in preparing this evaluation.

Value for members

The trustees have assessed the extent to which the charges and transaction costs set out above represent good value for members, taking into account the direct charges borne by members and the features of the Scheme. The assessment framework looked at a number of different aspects, namely:

- Investment returns achieved (which are net of transaction costs incurred by the fund)
- Breadth of investment options available
- Comparison of charges against similar master trusts
- Availability of scheme to all sizes of employer and range of solutions available to employers
- Scheme governance framework and trustee board skills and performance
- Communications to members
- Administration service standards, telephone helpline and online member portal
- Range of retirement options available

The trustees have concluded that the services and governance provided by the scheme provides value for money to members based upon the annual administration fee they pay.

Trustee knowledge and understanding

The requirement under section 248 of the Pensions Act 2004 (requirement for knowledge and understanding) has been met during the period as follows:

All trustees have completed the Pensions Regulator's trustee toolkit and complied with the Continuing Professional Development requirements of their professional bodies (where applicable). The independent trustees or their representatives attended an induction day following their appointment to familiarise themselves with the operation of the Master Trust and Scheme documentation. All of the key documents and policies relating to the Scheme, including the Trust Deed & Rules and Statement of Investment Principles, are kept electronically on a secure file server, which is kept up to date and is available to the Board for reference at all times, and referenced as necessary during trustee meetings. Between December 2018 & March 2019 the Board reviewed, refined and created policies on a number of areas as part of the master trust authorisation process. Trustees are free to request any further information they may require from the Administrator. Additional training is provided as and when required and has included investment workshops with the default fund manager. Attendance at industry seminars, Pension Regulator workshops and fund manager presentations are among some of the ways that trustee knowledge is maintained. Throughout the year the Trustees focused on Master Trust Authorisation and ESG requirements and attended a number of seminars regarding these.

The trustee board has significant experience within the Pension Industry, relating to running, managing and trusteeship of pension schemes. The Board has significant knowledge and understanding of the law relating to pension trusts, and between them have sufficient knowledge of the relevant principles relating to the funding and investment of occupational pension schemes. Details of the Boards collective experience is provided below:

- Andrew Cheeseman, the Chair of Trustees has over 25 years' experience of Pension Scheme Trusteeship. He is the founding director and current Chairman of the PAN Group, which is a practice specialising in the provision of professional trusteeship services. He is a leading figure in the industry and has served on the Council of what is now known as TPAS. He was involved in the drafting of the guidance code for independent trustees as issued by the Pensions Management Institute and participated on various Regulator past working parties whose objective was to draft guidance notes to support the pending legislation in relation to the governance of trustee bodies. He is regulated in the conduct of investment business by the FCA.
- Barry Parr also has over 25 years' experience of pension trusteeship and has worked on and contributed to many industry bodies including being a former member of The Pension Regulator's DC Practitioners Panel.

Christine Hallett and Paul Webster act as the trustees to the scheme for Carey Corporate Trustees UK Limited.

THE CAREY WORKPLACE PENSION TRUST

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

- Christine Hallett is the CEO of Carey Pensions UK and has over 30 years' experience in the Financial and Pensions Industries on SIPP, SSAS and Corporate pensions, holding several senior executive roles during this time.
- Paul Webster has a background of over 25 years' experience within the Occupational Pensions field, working on DB & DC schemes for Third Party Administrators and In-house schemes before moving to Pension Specialist roles and working with Trustee Boards

The Trustees believe that as a board they have the correct level of knowledge and understanding to properly exercise their functions as Trustees. The level and mix of skills include professional trusteeship, an understanding of investment strategies for defined contribution scheme members, legal knowledge, compliance and administration. Where the board feel that they have insufficient knowledge of a subject the required appropriate advice would be taken, and they have formally appointed an Investment adviser and Legal adviser to provide advice where necessary.

In accordance with the Trustees' Business Plan a review of the trustee board's effectiveness, performance and skills is carried out on an annual basis, and includes the completion of a Skills Matrix, with each trustee completing their own assessment of their knowledge and skills. The review involves the board considering and discussing their own performance, achievements and learning points over the previous 12 months, and is recorded in the trustee board minutes. Where gaps in knowledge are identified appropriate training can be arranged. The latest formal review of the Trustee Board's skills and knowledge took place in December 2018.

The skills audit process 2018:

The Board members assessed their knowledge across five key areas, covering 43 criteria ranked as either "Essential" or "Desirable" skills. Assessment rated the Trustees as either "Excellent", "Good", "Fair" or "Development" across these criteria. The individual and collective output of the process assists the trustees with a training plan for 2019 which may be sourced internally or externally.

The results of the assessment in 2018 showed that the board had good or excellent knowledge on those areas that are deemed "Essential" and "Desirable".

Non-affiliation of trustees and member representation

The requirements of regulation 27(2) of the Regulations for a majority of the Trustees to be non-affiliated have been met during the period.

Andrew Cheeseman of PAN Trustees Ltd (the Chair of Trustees) and Alec Barry Parr were the independent Trustees during the period. Both had been selected in November 2017 in accordance with the requirements of Section 22 of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 (S.I. 2015/879). The current term for both independent trustees ends in November 2020, however PAN Trustees has since resigned from the Board with effect from 13 October 2019 and is replaced by Anthony Filbin, an Independent Professional Trustee. Barry Parr will be reviewed in November 2020 in line with the Recruitment and Succession Policy.

Carey Corporate Trustees UK Limited is the affiliated member of the trustee board, and as such they count as one vote in the decision-making quorum.

The arrangements the Trustees have put in place to encourage members of the Scheme or their representatives to make their views on matters relating to the Scheme known to the Trustees include:

- A statement encouraging member feedback has been placed in the member booklet and on the Annual Benefit Statement, whereby members can respond through a dedicated email address.
- Members can also provide feedback through their Employer or the Employer's IFA or representative.
- Newsletter posted to member online accounts informing them of news and information regarding the Trust.

A member survey was commissioned in June 2019, the results of which are being analysed to help guide any future trustee actions.

The Trustees will further review member communications over the next year, having considered size, nature and demographic of scheme membership. A newsletter and copy of the Chair's Statement will be posted on the member portal following the signing of Report & Accounts for year ending 31 March 2019.

Signed for and on behalf the trustees of the Scheme by

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Chair of Trustees/Chairman



Date 14-10-19

Appendix 1 – Transaction costs

Fund	AMC	OCF	Carey fee	Total fee	Transaction costs
AB TDF 2008-2010 Retirement Fund	0.27%	0.28%	0.20%	0.48%	0.01%
AB TDF 2011-2013 Retirement Fund	0.27%	0.28%	0.20%	0.48%	0.02%
AB TDF 2014-2016 Retirement Fund	0.27%	0.28%	0.20%	0.48%	0.03%
AB TDF 2017-2019 Retirement Fund	0.27%	0.28%	0.20%	0.48%	
AB TDF 2020-2022 Retirement Fund	0.27%	0.28%	0.20%	0.48%	
AB TDF 2023-2025 Retirement Fund	0.27%	0.29%	0.20%	0.49%	
AB TDF 2026-2028 Retirement Fund	0.27%	0.29%	0.20%	0.49%	
AB TDF 2029-2031 Retirement Fund	0.27%	0.29%	0.20%	0.49%	
AB TDF 2032-2034 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2035-2037 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2038-2040 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2041-2043 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2044-2046 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2047-2049 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2050-2052 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2053-2055 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2056-2058 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2059-2061 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2062-2064 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2065-2067 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2068-2070 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
AB TDF 2071-2073 Retirement Fund	0.27%	0.30%	0.20%	0.50%	
Vanguard LifeStrategy 80% Equity Fund	0.22%	0.26%	0.26%	0.52%	0.04%
Vanguard LifeStrategy 60% Equity Fund	0.22%	0.27%	0.26%	0.53%	0.05%
Vanguard LifeStrategy 40% Equity Fund	0.22%	0.27%	0.26%	0.53%	0.05%
Vanguard LifeStrategy 20% Equity Fund	0.22%	0.28%	0.26%	0.54%	0.06%
Quilter Defensive strategy - Futura (0059)	0.30%		0.20%	0.50%	Net Performance figures published include all explicit and implicit charges.
Quilter Balanced strategy - Futura (0058)	0.30%		0.20%	0.50%	
Quilter Growth strategy - Futura (0057)	0.30%		0.20%	0.50%	
Quilter Growth Strategy (Ex FAPT)	0.30%		0.20%	0.50%	
Quilter Balanced Strategy (Ex FAPT)	0.30%		0.20%	0.50%	
Quilter Defensive Strategy (Ex FAPT)	0.30%		0.20%	0.50%	
71M Moderately Cautious AAP Fund	0.50%	0.67%	0.30%	0.97%	0.03%
71M Balanced AAP Fund	0.50%	0.65%	0.30%	0.95%	0.06%
71M Moderately Adventurous AAP Fund	0.50%	0.63%	0.30%	0.93%	0.07%
71M Adventurous AAP Fund	0.50%	0.65%	0.30%	0.95%	0.09%
Brooks MacDonald Balanced Fund	0.50%	1.28%	0.30%	1.58%	0.02%
Brooks MacDonald Defensive Income Fund	0.50%	1.21%	0.30%	1.51%	0.03%
Brooks MacDonald MPS High Growth	0.86%	1.52%	0.30%	1.82%	Not explicitly stated for MPS funds
Brooks MacDonald MPS Med to High Growth	0.86%	1.58%	0.30%	1.88%	
Brooks MacDonald MPS Med Income	0.86%	1.51%	0.30%	1.81%	
Brooks MacDonald MPS Low to Medium Growth	0.86%	1.43%	0.30%	1.73%	
London & Capital Defensive Equity Fund	0.50%		0.30%	0.80%	Not provided
London & Capital Global Conservative Fixed Interest Income Fund	0.50%		0.30%	0.80%	
London & Capital Global Balanced Fixed Income Fund	0.50%		0.30%	0.80%	
Quilter MPS Growth	0.20%		0.30%	0.50%	Net Performance figures published include all explicit and implicit charges.
Quilter MPS Balanced	0.20%		0.30%	0.50%	
Quilter MPS Conservative	0.20%		0.30%	0.50%	
Quilter MPS Cautious	0.20%		0.30%	0.50%	
Old Mutual Creation Conservative (Spectrum 3)		1.10%	0.30%	1.40%	OCF includes all transaction charges
Old Mutual Creation Balanced (Spectrum 4)		1.10%	0.30%	1.40%	
Old Mutual Creation Moderate (Spectrum 5 & 6)		1.10%	0.30%	1.40%	
Old Mutual Creation Dynamic (Spectrum 7 & 8)		1.10%	0.30%	1.40%	
TAM FOCUS Balanced Fund	0.30%		0.30%	0.60%	No transaction costs
TAM FOCUS Cautious Fund	0.30%		0.30%	0.60%	No transaction costs

Amber Section

Fund	AMC	OCF	Carey fee	Total fee	Transaction costs
DC LifePath 2018 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath 2019 Class N	0.25%		0.25%	0.50%	0.0277%
DC LifePath 2020 Class N	0.25%		0.25%	0.50%	0.0479%
DC LifePath 2021 Class N	0.25%		0.25%	0.50%	0.0663%
DC LifePath 2022 Class N	0.25%		0.25%	0.50%	0.0790%
DC LifePath 2023 Class N	0.25%		0.25%	0.50%	0.0911%
DC LifePath 2024 Class N	0.25%		0.25%	0.50%	0.1023%
DC LifePath 2025 Class N	0.25%		0.25%	0.50%	0.1102%
DC LifePath Retirement 2025-27 Class N	0.25%		0.25%	0.50%	0.0750%
DC LifePath Retirement 2028-30 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2031-33 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2034-36 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2037-39 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2040-42 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2043-45 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2046-48 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2049-51 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2052-54 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2055-57 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2058-60 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2061-63 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2064-66 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement 2067-69 Class N	0.25%		0.25%	0.50%	Negative TC
DC LifePath Retirement Year Fund Class N	0.25%		0.25%	0.50%	0.0116%
Woodford Equity Income Fund (FUND SUSPENDED)		1.00%	0.30%	1.30%	0.11%
BNYM - Newton Global Income	1.50%	1.62%	0.30%	1.92%	Included in OCF
Columbia Threadneedle - TPEN Property 3 Fund	1.50%		0.30%	1.80%	Not explicitly provided
Tatton Oak Advanced Fund		0.86%	0.30%	1.16%	0.01%
Kames Ethical Cautious Managed	0.75%	0.79%	0.30%	1.09%	Included in OCF
HSBC Amanah Funds Global Equity Index	0.75%	0.92%	0.30%	1.22%	Not explicitly provided

Trustee Default Fund

Advised Default used by Advisers

Total Fee includes OCF where provided

AMC: Annual Management Charge – these are fees charged by Investment Managers to cover the cost of managing the fund and are directly borne by the member.

OCF: Ongoing Charges Figure – this includes the AMC and covers additional operational expenses such as audit, legal and regulatory. These additional fees may be accounted for within the fund performance figures.

Appendix 2

Illustrations over time of the growing effect costs and charges on the value of member's savings

Illustration 1 – AllianceBernstein TDFs & Aegon Blackrock Default Funds

Based on a typical Scheme member described below, we have calculated the following illustrations: -

Currently aged 18

Year	Before charges	After all charges and costs deducted
1	£2,748.37	£2,716.16
3	£6,301.02	£6,174.66
5	£9,936.35	£9,673.80
10	£19,453.69	£18,645.89
15	£29,721.59	£28,030.18
20	£40,929.03	£37,947.91
25	£53,288.10	£48,529.30
30	£67,038.27	£59,915.23
35	£82,451.31	£72,259.23
40	£99,836.89	£85,729.51
45	£119,548.97	£100,511.37

Illustration 2 – AllianceBernstein TDFs & Aegon Blackrock Default Funds

Based on a typical Scheme member described below, we have calculated the following illustrations: -

Currently aged 40

Year	Before charges	After all charges and costs deducted
1	£2,748.37	£2,716.16
3	£6,301.02	£6,174.66
5	£9,936.35	£9,673.80
10	£19,453.69	£18,645.89
15	£29,721.59	£28,030.18
20	£40,929.03	£37,947.91
25	£53,288.10	£48,529.30

The typical member for the illustrations of the AllianceBernstein TDFs & Aegon Blackrock default funds are based on the following assumptions:-

- Has a starting pot of £1,000
- Is due to take money from age 65
- Contributions of £1,670 per year

How the illustrations are calculated:-

- Values are not guaranteed
- Inflation is assumed to be 2% over the long term
- Real rate of investment return 3.03%
- No allowance is made for de-risking or lifestyling when approaching retirement

Illustration 3 – Quilter Cheviot Default Fund

Based on a typical Scheme member described below, we have calculated the following illustrations: -

Currently aged 18

Year	Before charges	After all charges and costs deducted
1	£4,806.41	£4,764.73
3	£8,478.77	£8,324.00
5	£12,238.87	£11,928.98
10	£22,091.87	£21,189.40
15	£32,732.73	£30,899.44
20	£44,354.94	£41,185.15
25	£57,175.48	£52,182.14
30	£71,439.17	£64,037.45
35	£87,423.56	£76,911.50
40	£105,444.52	£90,980.32
45	£125,862.73	£106,438.02

Illustration 4 – Quilter Cheviot Default Fund

Based on a typical Scheme member described below, we have calculated the following illustrations: -

Currently aged 40

Year	Before charges	After all charges and costs deducted
1	£4,806.41	£4,764.73
3	£8,478.77	£8,324.00
5	£12,238.87	£11,928.98
10	£22,091.87	£21,189.40
15	£32,732.73	£30,899.44
20	£44,354.94	£41,185.15
25	£57,175.48	£52,182.14

The typical member for the illustrations of the Quilter Cheviot default funds are based on the following assumptions:-

- Has a starting pot of £3,000
- Is due to take money from age 65
- Contributions of £1,670 per year

How the illustrations are calculated:-

- Values are not guaranteed
- Inflation is assumed to be 2% over the long term
- Real rate of investment return 3.03%
- No allowance is made for de-risking or lifestyling when approaching retirement

Illustration 5 – Non-Default Advised Funds

Based on a typical Scheme member described below, we have calculated the following illustrations: -

Currently aged 18

Year	Before charges	After all charges and costs deducted
1	£3,780.23	£3,727.08
3	£7,402.60	£7,189.59
5	£11,116.14	£10,667.93
10	£20,870.32	£19,470.15
15	£31,443.35	£28,496.21
20	£43,037.82	£37,838.19
25	£55,882.20	£47,591.66
30	£70,235.72	£57,856.62
35	£86,393.84	£68,738.60
40	£104,694.59	£80,349.64
45	£125,525.96	£92,809.56

Illustration 6 – Non-Default Advised Funds

Based on a typical Scheme member described below, we have calculated the following illustrations: -

Currently aged 40

Year	Before charges	After all charges and costs deducted
1	£3,780.23	£3,727.08
3	£7,402.60	£7,189.59
5	£11,116.14	£10,667.93
10	£20,870.32	£19,470.15
15	£31,443.35	£28,496.21
20	£43,037.82	£37,838.19
25	£55,882.20	£47,591.66

The typical member for the illustrations of the Non-default Advised funds are based on the following assumptions:-

- Has a starting pot of £2,000
- Is due to take money from age 65
- Contributions of £1,670 per year

How the illustrations are calculated:-

- Values are not guaranteed
- Inflation is assumed to be 2% over the long term
- Real rate of investment return 3.09%