

Example illustrations for the Scottish Friendly Staff Pension Scheme



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 transactional charges and costs total (%)

	Pension Managed Fund	UK Equity Fund	Fixed Interest Fund
Growth	5.00%	5.00%	2.00%
AMC	1.00%	1.00%	0.09%
AAE	0.00%	0.00%	0.91%
TC	0.26%	0.40%	0.00%

Growth is the assumed growth rate for the fund.

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 31/12/2020.

The impact of transactional 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	Pension Managed Fund		UK Equity Fund		Fixed Interest Fund	
	Before Charges	After all charges	Before Charges	After all charges	Before Charges	After all charges
1	1640	1630	1640	1630	1610	1608
3	5350	5250	5350	5240	5100	5040
5	9700	9390	9700	9360	9010	8790
10	23910	22400	23910	22200	20600	19600
15	44200	40100	44200	39700	35500	33070
20	72600	63800	72600	62900	54300	49400
25	110500	95200	110500	93600	77900	69400
30	165900	136400	165900	133500	107300	93700
35	239000	189900	239000	185300	143700	123100
40	337400	258900	337400	251800	188700	158600
45	469600	347600	469600	336900	244100	201500
49	605150	436100	605150	421400	297200	241900

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 a representative range of funds to show funds with lower and higher charges for comparison. These do not take into account the effect of inflation and should be used only to compare the effect of charges

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. 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. This rate is based on our view of potential long-term returns of the main asset classes (equities, property, corporate bonds, government bonds and cash) and will vary depending on the fund(s). The growth rates for mixed asset funds are derived from the asset class growth rates based on the investment objectives and long-term asset allocation of the funds.