

## Illustration of cumulative effect of costs and charges on the value of members' fund values over time

The effect of costs and charges for each of the funds is provided in the table below:

Years	Long Term Growth Fund		Global Equity Fund		Aggregate Bond Fund		Index-Linked and Global Bond Fund		Deposit Fund	
	Before charges	After all costs and charges	Before charges	After all costs and charges	Before charges	After all costs and charges	Before charges	After all costs and charges	Before charges	After all costs and charges
1	£7,588	£7,554	£7,557	£7,542	£7,358	£7,339	£7,312	£7,293	£7,266	£7,253
3	£13,140	£12,990	£13,006	£12,939	£12,161	£12,085	£11,972	£11,894	£11,785	£11,733
5	£19,225	£18,890	£18,925	£18,777	£17,083	£16,922	£16,682	£16,520	£16,291	£16,183
10	£37,053	£35,878	£36,002	£35,489	£29,934	£29,435	£28,704	£28,213	£27,533	£27,214
15	£59,219	£56,511	£56,794	£55,625	£43,613	£42,593	£41,117	£40,137	£38,795	£38,174
20	£86,596	£81,421	£81,958	£79,751	£58,184	£56,452	£53,974	£52,348	£50,148	£49,139
25	£120,225	£111,345	£112,258	£108,515	£73,716	£71,072	£67,334	£64,908	£61,660	£60,187
30	£161,342	£147,137	£148,585	£142,667	£90,282	£86,518	£81,255	£77,877	£73,402	£71,390
35	£211,417	£189,788	£191,972	£183,069	£107,964	£102,861	£95,802	£91,320	£85,443	£82,824
40	£272,197	£240,446	£243,624	£230,712	£126,845	£120,174	£111,042	£105,304	£97,855	£94,563
45	£345,755	£300,442	£304,937	£286,737	£147,019	£138,538	£127,046	£119,899	£110,708	£106,679

The effect of costs and charges for the default arrangement is also provided:

Years	DC Long Term Growth Lifestyle	
	Before charges	After all costs and charges
1	£7,588	£7,554
3	£13,140	£12,990
5	£19,225	£18,890
10	£37,053	£35,878
15	£59,219	£56,511
20	£86,596	£81,421
25	£120,225	£111,345
30	£161,342	£147,137
35	£211,417	£189,788
40	£263,377	£233,173
45	£295,983	£260,019

### Notes

- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of inflation.
- The starting pot size is assumed to be £5,000.
- Inflation is assumed to be 2.5% each year.
- Member is assumed to be aged 20, with a target retirement age of 65.
- Monthly contributions are assumed to start at £200, increasing at 4% (assumed earnings inflation of 1.5%) each year until target retirement age.
- The assumed growth rates for each fund are as follows (costs and charges shown in brackets):
 

Long Term Growth Fund:	6.00% (0.56%)
Global Equity Fund:	5.50% (0.25%)
Aggregate Bond Fund	2.25% (0.30%)
Index-Linked and Global Bond Fund:	1.50% (0.31%)
Deposit Fund:	0.75% (0.21%)
- The assumed growth rates, costs and charges for the default arrangements reflect those of the underlying funds that are held at each point in time.
- Costs and charges include property expenses and transaction costs.
- Transaction costs are based on an average of the last 5 years, all other costs and charges are forward-looking estimates.
- Values shown are estimates and are not guaranteed.