

SLFC fund charges (including transaction costs) illustration

This is an example illustration and uses a number of assumptions. It shows how charges, including transaction costs, can affect a fund value over time. We have included four example funds to show a range of charges:

- Balanced Managed Pension – B037A fund
- UK Equity Growth Pension – B189A fund
- 2nd Gilt Pension – B039A fund
- Property Pension – B356A fund

Charges

Fund Name:	Balanced Managed Pension: B037A	UK Equity Pension: B189A	2 ND Gilt Pension: B039A	Property Pension: B356A
Net growth rate <small>This is an assumed rate after allowing for price inflation of 2%</small>	2.94%	2.94%	0.98%	2.45%
Annual Management Charge (AMC)	0.75%	0.75%	0.75%	1.00%
Other fund charges	0.28%	0.27%	0.17%	0.43%
Transaction Costs (TC) <small>This is based on the period 01/01/2020 to 31/12/2020</small>	0.23%	0.15%	0.10%	0.00%
Allocation rate	100%	100%	100%	100%
Bid / Offer spread	5%	5%	5%	5%

Annual Management Charges – Unit prices include a daily allowance for the annual management charges that apply to your particular plan. **Other fund charges** – these are costs incurred in the management of the investments. **Transaction costs** – these are the costs of investing in markets. **Bid/Offer spread** – the difference between the price at which you can buy and sell units.

Illustration

Balanced Managed Pension: B037A											
Year	1	3	5	10	15	20	25	30	35	40	45
Before Charges – shows the fund value without any AMC, TC or B/O spread being taken	£1,020	£1,090	£1,150	£1,330	£1,540	£1,780	£2,060	£2,380	£2,750	£3,180	£3,680
After Charges – shows the fund value after AMC, TC and B/O spread have been taken into account	£965	£997	£1,030	£1,110	£1,210	£1,310	£1,420	£1,540	£1,680	£1,820	£1,970
UK Equity Pension: B189A											
Year	1	3	5	10	15	20	25	30	35	40	45
Before Charges – shows the fund value without any AMC, TC or B/O spread being taken	£1,020	£1,090	£1,150	£1,330	£1,540	£1,780	£2,060	£2,380	£2,750	£3,180	£3,680
After Charges – shows the fund value after AMC, TC and B/O spread have been taken into account	£966	£1,000	£1,030	£1,120	£1,220	£1,330	£1,450	£1,590	£1,730	£1,880	£2,050

Illustration (continued)

2nd Gilt Pension: B039A											
Year	1	3	5	10	15	20	25	30	35	40	45
Before Charges – shows the fund value without any AMC, TC or B/O spread being taken	£1,000	£1,020	£1,040	£1,100	£1,150	£1,210	£1,270	£1,340	£1,400	£1,470	£1,550
After Charges – shows the fund value after AMC, TC and B/O spread have been taken into account	£949	£948	£947	£945	£942	£940	£938	£935	£933	£931	£928
Property Pension: B356A											
Year	1	3	5	10	15	20	25	30	35	40	45
Before Charges – shows the fund value without any AMC, TC or B/O spread being taken	£1,020	£1,070	£1,120	£1,270	£1,430	£1,620	£1,830	£2,060	£2,330	£2,630	£2,970
After Charges – shows the fund value after AMC, TC and B/O spread have been taken into account	£959	£978	£997	£1,040	£1,100	£1,150	£1,210	£1,270	£1,330	£1,400	£1,470

Assumptions

- Current age is 20
- Intended retirement age is 65
- The initial contribution is £1,000
- No future contributions will be paid
- No product charges other than bid/offer spread are included in the illustration

Investment growth

- The value of your investments will grow at a rate appropriate to the fund(s) you are invested in and price 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) you are invested in.
- The assumed growth rate used for each fund is shown in each table. This rate is based on our view of potential long-term returns of the main asset classes (equities, government bonds, corporate bonds, property and cash) and will vary depending on the fund(s).
- The growth rates for funds with a mixture of assets are calculated from each asset class growth rate. These are based on the investment objectives and how the fund is invested.
- If the growth rate we have 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.