Your pension scheme

GDST Retirement Savings Plan.

Costs and charges illustration for a non-contributing member

What is this illustration for and how could it help you?

The information in this document is an 'illustration'. This is to show you the possible effect of costs and charges on your pension savings to help you plan for your retirement. The figures shown in it are not personal to you and do not show the actual pension benefits you could get from the pension scheme.

Your pension scheme benefits depend on many things such as contributions from you or your employer, how your investment funds have performed, and costs and charges. You may get back less than you put in.

How charges affect your pension scheme's investment funds

On page 2 are tables which show how different costs and charges can impact the pension pot over certain periods of time, based on a selection of investment funds. Table 1 shows your section's default investment option. Table 3 illustrates high and low growth rated funds associated to your section of the scheme as well as example funds with a high and low total cost and charge associated to your section of the scheme.

Under each default investment option or investment fund, there are two columns. The first shows the projected pension values assuming no costs and charges are taken. The second shows the projected pension values after costs and charges are taken. By comparing the two you can see how much the costs and charges over the years will impact your pension pot.

The figures are based on a starting pot value of £600 – see page 3 for the assumptions we use.

Table 1

Illustration of effect of costs and charges on the Default Investment Option in GDST Retirement Savings Plan.		
	My Future	
	Assumed growth rate 3.3% (p.a.)	
	Assumed costs and charges 0.47% (p.a.)	
At end of year	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken
1	£606	£603
2	£613	£607
3	£620	£611
4	£626	£614
5	£633	£618
10	£668	£636
15	£704	£655
20	£743	£674
25	£784	£694
30	£826	£714
35	£872	£736
40	£911	£750
45	£933	£751
50	£937	£738

Table 2

List of Funds included in the Default Investment Option		
Fund name	Total Cost and Charge (p.a.)	Growth Rate (p.a.)
Av MyM My Future Growth	0.49%	3.60%
Av MyM My Future Consolidation	0.44%	2.40%

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Table 3

Illustration of effect of costs and charges for a selection of funds with different growth rates and **costs and charges within your section of the scheme – GDST Retirement Savings Plan.**								
	Av MyM BlackRock Sterling Liquidity		Av MyM BlackRock All Stocks UK Gilt Index Tracker		Av MyM BlackRock UK Equity Index Tracker		Av MyM Multi Strategy Target Return	
	Assumed growth rate (p.a.) 0.5%		Assumed growth rate (p.a.) 1%		Assumed growth rate (p.a.) 4.5%		Assumed growth rate (p.a.) 3.6%	
	Assumed total costs and charges (p.a.) 0.33%		Assumed total costs and charges (p.a.) 0.33%		Assumed total costs and charges (p.a.) 0.56%		Assumed total costs and charges (p.a.) 1.67%	
At end of year	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken
1	£588	£586	£591	£589	£612	£608	£606	£596
2	£577	£573	£583	£579	£624	£617	£613	£593
3	£566	£560	£574	£568	£636	£625	£620	£589
4	£555	£547	£566	£558	£648	£634	£626	£586
5	£544	£535	£557	£548	£661	£643	£633	£582
10	£493	£476	£518	£501	£728	£688	£668	£565
15	£446	£425	£481	£458	£802	£737	£704	£548
20	£405	£378	£447	£419	£883	£789	£743	£531
25	£367	£337	£415	£382	£973	£845	£784	£515
30	£332	£301	£386	£350	£1,070	£906	£826	£500
35	£301	£268	£358	£319	£1,180	£970	£872	£485
40	£273	£239	£333	£292	£1,300	£1,040	£920	£471
45	£247	£213	£309	£267	£1,430	£1,110	£970	£457
50	£224	£189	£287	£244	£1,580	£1,190	£1,020	£443

How we worked out the figures in the tables

It's important to understand the difference that costs and charges make to your pension pot, but we can't predict exactly what will happen in the future so we've had to make some assumptions. The values shown are estimates and are not guaranteed.

These assumptions are:

1. We've assumed no further contributions are made into this pension pot either from yourself or your employer. The starting pot value is assumed to be paid £600 .

2. The figures illustrate the pension pot value in 'today's money' which means they take inflation into account by discounting values at 2.5% a year. Seeing the figures in this way shows you what they could be worth today. It's important to note that inflation reduces the worth of all savings and investments. The effect of this is shown in the illustration and could mean the fund may reduce as well as grow in 'today's money'.

3. Transaction costs may not have been included where data was not available from the fund managers.

4. As your scheme's default investment option moves your investments to lower risk funds when you're approaching retirement, the growth rate and charges within the investment option may change. We've modelled these expected changes within the projections. The growth rate and charges shown in the default investment programme illustration are weighted averages and are for information only. Full details of the individual funds that make up the default investment programme are shown in table 2.

Some important things to remember

Your section of the scheme will offer other funds to those illustrated, with different growth potential and different costs and charges, and may also offer other lifestyling investment options. If you have selected another lifestyling investment option your pension pot will automatically be moved into different funds as you approach your retirement date and your scheme literature will provide details of how this works. As the individual funds used in a lifestyling approach have different growth potential and different charges, the overall growth rate and overall charge will change over time.

For these reasons, we have shown a range of funds with a range of charges which are available to you and which could apply to your pension pot during the life of your plan. A personal projection of your pension pot is included in your annual benefit statement and you should read that to get an individual view of your projected pension benefits. You'll also find details of the actual charges applicable to you in your scheme literature.

The figures shown here:

- Shouldn't be used to make investment decisions, so if you need to do that, we recommend that you take financial advice.
- May not be relevant to your personal circumstances. Your money may be invested in different funds, for example.

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