

Example illustration

Purpose of this example illustration

This illustration gives you an indication of what you might get back if you retire at age 65.

It illustrates how investment performance affects your eventual monthly pension. It also shows the effect of our charges. **Please read this along with the key features document so that you understand the important information about benefits, our Aegon Retirement Choices product charges, investment charges, risks, tax, your rights and your commitments.**

The Financial Conduct Authority is a financial services regulator. It requires us, Aegon, to give you this important information to help you to decide whether our Self-invested Personal Pension (SIPP) is right for you. You should read this document carefully so that you understand what you're buying, and then keep it safe for future reference.

This isn't a personal illustration. Please speak to your scheme adviser or contact us if you'd like a personal illustration.

What your pension might be when you take benefits

We can't predict what your pension fund might be worth when you take benefits because this will depend on several factors, for example how much is paid into your plan, investment fund performance and any charges that may apply. The table on the next page gives you an idea of what your plan might be worth at age 65 based on a growth rate of 0.2%. The growth rate could turn out to be less or more than this. So, the fund value could be lower or higher than illustrated. Select the age closest to your current age, in the table on the next page, and the most relevant monthly contribution to see what the fund value might be, adjusted for inflation, and the level of monthly income this may provide when you take benefits.

The figures shown are for illustrative purposes only and aren't guaranteed. They've been calculated using standard assumptions, and don't represent either maximum or minimum amounts.

Keeping track of your pension fund

You'll be able to check the progress of your pension fund through your online account at any time. You'll also get a statement at least once a year to show you how your pension fund is doing and what your pension might be worth after allowing for inflation.

Estimated fund value and pension income at age 65 (adjusted for inflation)										
Initial monthly contributions										
Your age now	£50		£100		£150		£200		£250	
	Fund value	Monthly income	Fund value	Monthly income	Fund value	Monthly income	Fund value	Monthly income	Fund value	Monthly income
20	£34,829	£120	£69,658	£240	£104,487	£360	£139,316	£480	£174,144	£600
25	£29,951	£105	£59,903	£209	£89,854	£314	£119,805	£418	£149,757	£523
30	£25,371	£90	£50,743	£180	£76,114	£270	£101,486	£360	£126,857	£449
35	£21,067	£76	£42,135	£151	£63,202	£227	£84,270	£303	£105,337	£379
40	£17,019	£62	£34,038	£124	£51,057	£186	£68,077	£248	£85,096	£310
45	£13,208	£49	£26,416	£98	£39,624	£147	£52,832	£196	£66,039	£245
50	£9,616	£36	£19,232	£72	£28,848	£108	£38,464	£145	£48,080	£181
55	£6,227	£24	£12,455	£47	£18,682	£71	£24,910	£95	£31,137	£119
60	£3,027	£12	£6,054	£23	£9,080	£35	£12,107	£47	£15,134	£59

Important information

- The initial monthly contribution includes any payments from your employer and from you, together with basic rate tax relief on personal contributions, as described in the key features document.
- If the initial monthly contributions shown aren't close to how much you and your employer will pay into your pension plan, you can add or divide the figures to get to the level of contribution that applies to you. For example, if there's an initial monthly contribution of £50 shown and the total amount being paid into your plan is £25, you can half the fund value and monthly income shown for £50.
- The minimum contribution that must be paid into a scheme being used for auto-enrolment is being phased in over the next three years. It will be increased in 2018 and then again in 2019. This illustration doesn't take these phased contribution increases into account.

Assumptions

- The monthly contribution will increase by 4% each year. This is to take into account any increase in your future earnings.
- The inflation adjusted investment growth is:

Investment name	Percentage to invest	Growth rate
Default investment strategy	99.75%	0.24%
Cash	0.25%	-1.95%

This takes into account the growth rate for the default investment strategy, the cash fund and inflation. You'll find the default investment strategy that applies to your plan in the Confirmation of application which will be available in your online account after you join.

Your cash facility attracts interest at the Bank of England base rate less 0.10%. This is paid in full to the cash facility of your product wrapper(s).

If the gross growth rate we've used is the same as the rate of inflation, this reduces the inflation adjusted growth rate to 0%. Where the growth rate is less than inflation, the inflation adjusted growth rate will be less than 0%.

- An inflation rate of 2.5% a year applies. We've taken account of possible future inflation to give you an indication of how much your pension could be worth if it were payable today, as inflation reduces the buying power of all savings and investments.
- Contributions to your plan will continue until age 65.
- When you take benefits, you buy an annuity:
 - which will provide a monthly income paid for the rest of your life;
 - which will be paid for a minimum of 5 years, even if you die during this time; and
 - which will not increase.
- The cost of buying the monthly income we use for illustrations is based on a price set by our regulator for use in illustrations. You'll have many choices when you take benefits and you can shop around to get a deal that suits you at that time.
- For the purpose of this illustration, the charges we've assumed for the figures shown in the table on the previous page are those shown in 'The charges we take from your plan' section below.

The charges we take from your plan

The charges associated with this illustration are shown below. Where charges are expressed as a percentage, the amount could vary as your fund value changes over time.

Annual charge

We'll deduct the annual charge monthly, based on your overall funds, to cover the cost of administering your plan. You can find out more about how we calculate this by speaking to a financial adviser.

We've assumed that you'll be charged:

Annual charge	0.55%
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Investment charges

We've used the following assumptions for the charges fund managers apply. Where we know the actual charges for specific funds we'll use these, otherwise we'll use typical charges for this type of fund.

Default investment strategy

Annual management charge (AMC)	0.05%
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Cash

Annual management charge (AMC)	0.00%
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The charges you'll pay may not be the same as the assumptions made here, and could be higher or lower. You can find the actual amount you'll pay in your Confirmation of application.

We may change these charge(s) in the future, as described in the Aegon Retirement Choices terms and conditions. We'll let you know if we make any changes to your charges.

The next section shows the possible effect of charges on the way your account grows, along with the possible effect when all charges are taken.

How the charges can affect the value of your fund

All pension providers give this information to help you compare their charges. In the table on the next page, we show the effect of our charges based on the assumed growth rate. The growth rate could turn out to be less or more and the fund value when you take benefits may be less than the total contributions paid.

The fourth column shows the possible value of your fund if there were no charges. The fifth column shows how all charges affect the value of your fund and also illustrates what you could transfer to another pension plan.

All of the figures below have been adjusted for inflation and are based on equivalent monthly contributions.

Assuming your fund grows by 0.2% each year				
At end of year	Monthly contribution	Total payments into your plan	If there were no charges	After all charges
1	£49	£593	£594	£592
	£98	£1,187	£1,188	£1,184
	£146	£1,780	£1,782	£1,776
	£195	£2,373	£2,376	£2,368
	£244	£2,966	£2,970	£2,960
3	£50	£1,806	£1,813	£1,796
	£100	£3,612	£3,625	£3,592
	£151	£5,418	£5,438	£5,388
	£201	£7,224	£7,250	£7,184
	£251	£9,030	£9,063	£8,980
5	£52	£3,054	£3,073	£3,027
	£103	£6,109	£6,146	£6,054
	£155	£9,163	£9,218	£9,080
	£207	£12,218	£12,291	£12,107
	£258	£15,272	£15,364	£15,134
10	£56	£6,339	£6,414	£6,227
	£111	£12,678	£12,828	£12,455
	£167	£19,017	£19,242	£18,682
	£222	£25,356	£25,656	£24,910
	£278	£31,695	£32,070	£31,137
20	£64	£13,669	£13,986	£13,208
	£129	£27,338	£27,972	£26,416
	£193	£41,007	£41,958	£39,624
	£257	£54,676	£55,944	£52,832
	£321	£68,346	£69,931	£66,039
30	£74	£22,145	£22,902	£21,067
	£149	£44,291	£45,804	£42,135
	£223	£66,436	£68,705	£63,202
	£297	£88,582	£91,607	£84,270
	£372	£110,727	£114,509	£105,337
40	£86	£31,947	£33,376	£29,951
	£172	£63,894	£66,751	£59,903
	£258	£95,841	£100,127	£89,854
	£344	£127,789	£133,502	£119,805
	£430	£159,736	£166,878	£149,757

How the charges can reduce the growth rate of your fund

The charges reduce your assumed growth rate of return from 0.2% to -0.4%. This is a reduction in growth of 0.6% a year.

