

Your personal pre-retirement illustration for the Retirement Investment Account

Produced on 20 September 2024

The Financial Conduct Authority is a financial services regulator. It requires us, AJ Bell Investcentre, to give you this important information to help you to decide whether our Retirement Investment Account is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

This illustration is to give you an idea of what you might get back from your account in the future. The projected amounts that are shown have been calculated using standard assumptions. What actually happens might be different from what we've assumed, so we can't guarantee these figures. The value of investments can go down as well as up and you may get back less than you've paid in. The projected amounts also take into account future inflation of 2.0% every year.

Client
Mrs Louise Clark-Scrimgeour
3 April 1986

Reference
ICHjmZhX

Dependant
None specified

Your retirement summary

20 September 2024

The value of your account is
£31,760.00

You don't make further payments into your account

Each year charges will reduce the assumed annual growth rate of your account, after inflation, by
0.6%

You can use this 'reduction in yield' figure to compare different products and providers

For comparison purposes, charges in the first year could reduce the value of your account by
£911

After all charges are taken and assuming a mid-growth rate of 2.3% a year above inflation

At the end of **year 1**, your account could be worth
£31,700

At the end of **year 5**, your account could be worth
£34,900

At the end of **year 10**, your account could be worth
£39,300

On 3 April 2061, your account could be worth

£73,900

This illustration sets out the following:

- 1 What you might get back**
- 2 How much money you'll contribute**
- 3 Where your money will be invested**
- 4 What are the charges?**
- 5 How charges can affect the value of your account**
- 6 Charges summary**

1. What you might get back

This section shows what your account might be worth and the benefits that you could get with that money. What you might get back is dependent upon a number of factors including the amount you invest and how long for and external influences such as investment returns, inflation, interest rates, annuity rates and charges. The figures illustrated aren't guaranteed; you could get back more or less than this and you may also get back less than the amount that you have paid in.

You will be sent annual statements which will enable you to keep track of your account. The statement will show you all payments received into your account and payments, including charges, which have been deducted.

On 3 April 2061 your account could be worth	Low (0.00%) £25,600	Mid (2.94%) £73,900	High (5.88%) £207,000
If you didn't take a cash lump sum, you could buy an annuity of	£1,840	£6,250	£20,200
If you took a cash lump sum of	£6,410	£18,400	£51,700
you could buy an annuity of	£1,380	£4,680	£15,100

There's a limit on the value of benefits that can be taken across all your retirement accounts without you having to pay any tax. For a PCLS or the tax-free element of an UFPLS payment, this is set as a Lump Sum Allowance of £268,275. There's also a Lump Sum and Death Benefit Allowance of £1,073,100; you won't pay any tax if the overall value of all lump sums you take does not exceed this, but any lump sums paid above this level will be taxed at your marginal rate of income tax. Note that this illustration does not restrict lump sums, so you should be aware that if cash lump sum values higher than £268,275 are shown, tax may be payable on the excess amount above this, although this will depend on your individual circumstances. It's recommended that you take financial advice if you think you might be affected.

Why do we talk about what things could be 'worth'?

This is because of inflation, which is the rate at which the price of goods and services go up over time. We show you what your account might be worth, and the annuity it could buy you, on 3 April 2061, taking into account future inflation of 2.0% every year from now until 3 April 2061. For example, if all our assumptions are right and assuming your investments grow at 2.94%, on this date your account could buy you what £73,900 buys you today. Inflation affects all savings and investments products but not all illustrations take it into account. So, be careful when comparing products and check whether or not they take inflation into account.

1. What you might get back

Annuity assumptions

When we worked out the annuity you could get on 3 April 2061, we assumed that:

- when you turn your account into an annuity, it won't increase each year in line with inflation
- the annuity will be paid at the beginning of every month
- the annuity won't be guaranteed, and
- you don't want to provide an annuity for anyone else after you die

If you were to die before purchasing an annuity, death benefits equivalent to the value of your account could be paid to your dependant or a nominated beneficiary. Depending on the circumstances at the time these are paid, tax may be payable.

2. How much money you'll contribute

£15,875.00

Transfer

Paid once on 20 September 2024

£15,885.00

Transfer

Paid once on 20 September 2024

There is an annual limit on the amount that you can pay into your account without incurring tax charges. This is called the Annual Allowance and is currently £60,000. This illustration doesn't take into account any tax charge that may be applicable if this limit is exceeded.

If your "adjusted income" is more than £260,000, then you'll be subject to the tapered Annual Allowance. This means that for every £2 your adjusted income goes over £260,000, your Annual Allowance for that year reduces by £1.

3. Where your money will be invested

You've chosen to invest your money as follows. The growth rates shown below are the mid-growth rates at which your investments have been projected in this illustration.

We've adjusted the growth rate(s) used to take into account future inflation of 2.0% every year.

% invested	Investment name	Growing at
100.00%	Funds and Shares	2.94%

4. What are the charges?

The charges associated with this illustration are set out below. Where charges are expressed as a percentage, the amount taken will vary as your account value changes over time.

Product charges

These are charges we take for setting up and managing the product for you.

Initial setup	£0.00
Transfer in	£0.00
Quarterly administration (per annum)	£0.00
Annuity purchase/Transfer out	£0.00

Adviser charges

These are charges that you've agreed to pay from the product to your adviser.

Initial adviser charge plus VAT where applicable	£750.00
Ad Hoc Adviser charge plus VAT where applicable	£0.00
Annual Adviser Charge plus VAT where applicable	0.00%

Investment charges

These are charges applied for managing your selected investments.

Funds and Shares

Transaction charges	0.04%
You will be charged 0.04% of your initial investment for transaction costs. This would be £14 in the first year.	
Ongoing Investment Management Fee	0.00%
You will be charged 0.00% of your initial investment for investment management services. This would be £0 in the first year.	
Initial Investment Management Fee	0.00%
You will be charged 0.00% of your initial investment for investment management services. This would be £0.	
Initial charge	0.00%
You will be charged 0.00% of your initial investment for buying into investments. This would be £0.	
Incidental charges	0.00%
You will be charged 0.00% of your initial investment for incidental costs. This would be £0 in the first year.	
Annual ongoing charge	0.22%
You will be charged 0.22% of your initial investment for ongoing management and administration. This would be £69 in the first year.	
Annual dealing charge	£0.00
Custody charges	Below £500,000 0.25% Above £500,000 0.20%

You will be charged £79 in custody charges in the first year.

Interest rates

When comparing charges between different providers, you should also compare the interest rates payable on your cash, particularly if you intend to hold significant sums of money in cash. The amount of interest paid will depend on market interest rates and the amount you choose to hold in cash. The table below shows the current interest rate that will be paid on cash held in your SIPP cash account, Retirement Investment Account cash account and your Funds & Shares Service cash account (if applicable). Please note that all cash will be held in the cash account of your SIPP or Retirement Investment Account until transferred or invested using one of our investment options.

Cash balance	Gross interest rate for this tier only	Interest rate (AER) for this tier only
£0 to £10,000	2.40%	2.42%
£10,000 to £50,000	2.50%	2.52%
Above £50,000	3.25%	3.29%

Notes

- The interest rates shown above apply from 1 September 2024. Details of our historic interest rates can be found at https://www.investcentre.co.uk/sites/default/files/AJBIC_Historic_interest_rates.pdf
- The interest rate for each tier only applies to money held in that tier and not to the full account balance. Total interest paid will be a blended rate depending on the money held in each tier.
- Interest rates are subject to variation and interest is paid to your account quarterly, in arrears.
- There are no routine bank transaction charges and interest is paid to your account without any deduction of tax.
- The Annual Equivalent Rate (AER) represents the annual rate effectively received by your account if the interest at gross rate applied during a year remained in the account and itself earned interest.

AJ Bell receives payments from banks based on the aggregate cash balances held across all accounts. The amount we receive will vary depending on the total cash balances held and market interest rates. Over the foreseeable future, we expect to receive between 1.15% below and 0.50% above the Bank of England base rate for cash held in a SIPP or Retirement Investment Account and between 0.10% below and 0.15% above the Bank of England base rate for cash held within an ISA or GIA account, although it may be higher or lower than this during periods of sustained base rate changes. These payments are used to pay interest at the rates shown above, and we retain the amount received above these rates to keep our administration, custody and dealing charges low.

We do not receive any payments on external deposit accounts set up for your SIPP or cash held by any of our investment partners.

There is currently no requirement for you to hold a minimum amount in cash, although you and your adviser must always ensure that there is sufficient cash held to cover our charges, adviser charges and any SIPP or Retirement Investment Account benefits, or other payments, when they are due for payment.

5. How charges can affect the value of your account

Below, we show you how charges can affect the value of your account. When we worked out these figures, we assumed that your account grows at the mid growth rate(s) shown in the **Where your money will be invested** section. All providers have to give you this information to help compare their charges but can use different ways of doing this. When comparing illustrations make sure you're doing so using the same basis. All values shown in the table below are cumulative and have been adjusted to take into account future inflation of 2.0%.

At end of year	Payments into your account	Cost of advice	Before charges are taken	If only product and investment charges are taken	After all charges are taken from this account
1	£31,100	£735	£32,600	£32,500	£31,700
2	£30,500	£721	£33,600	£33,300	£32,500
3	£29,900	£707	£34,600	£34,100	£33,300
4	£29,300	£693	£35,600	£34,900	£34,100
5	£28,700	£679	£36,700	£35,700	£34,900
6	£28,200	£666	£37,700	£36,600	£35,700
7	£27,600	£653	£38,900	£37,500	£36,600
8	£27,100	£640	£40,000	£38,400	£37,500
9	£26,500	£628	£41,200	£39,300	£38,400
10	£26,000	£615	£42,400	£40,300	£39,300
At age 75	£15,400	£364	£91,500	£75,700	£73,900

Before charges are taken

The last line shows that without charges your account could be worth **£91,500**. This assumes your account grows at 2.9% a year.

2.9%

If only product and investment charges are taken

The reduction from £91,500 to **£75,700** shows that just product and investment charges could reduce the rate your account grows at each year from 2.9% to 2.4%. This is a reduction in growth of **0.5%** a year.

2.4%

After all charges are taken from this account

The reduction from £91,500 to **£73,900** shows that all charges could reduce the rate your account grows at each year from 2.9% to 2.3% a year. This is a reduction in growth of **0.6%** a year.

2.3%

6. Costs and charges

This section shows a breakdown of the costs and charges we estimate you'll pay from your AJ Bell Investcentre account in the first year. We have also shown a summary of your estimated costs and charges in the second year, for comparison, because some of the charges you pay in the first year may not be applicable in the second.

The percentage figures are based on the projected value of your account at the end of each year, before any charges are taken. It might be worth reading the section called 'How charges can affect the value of your account' if you haven't already.

Charges summary

Year 1

Year 2

Investment product costs	£82.35	0.25%	£86.02	0.25%
These costs relate to the investment(s) selected.				
Service costs	£829.00	2.49%	£82.52	0.24%
These costs relate to advice, investment management services and the operation of your AJ Bell Investcentre account.				
Total costs	£911.35	2.73%	£168.55	0.48%

Breakdown of your investment product costs for year 1

These are your investment provider's charges.

Initial charges	£0.00	0.00%
These are the charges you pay when making an investment.		
Ongoing charges	£68.72	0.21%
These charges are for managing and operating the investment.		
Transaction charges	£13.63	0.04%
These charges cover the costs of buying and selling underlying holdings in your investments.		
Incidental charges	£0.00	0.00%
Other charges, including performance fees.		

Breakdown of your service costs for year 1

Service costs include product, custody and dealing charges paid to AJ Bell Investcentre for operating your account, advice fees paid to your adviser and (where applicable) charges payable to an investment manager. You can find more information in an earlier section called 'What are the charges?'.

One-off charges	£750.00	2.25%
These are ad-hoc charges, usually taken at the start of the period.		
Ongoing charges	£79.00	0.24%
These charges apply each year and are usually split over regular intervals.		
Transaction charges	£0.00	0.00%
These charges apply when specific transactions occur.		

6. Costs and charges

Notes

- The investment provider's charges are provided by Morningstar, and may not be accurate; you should not rely solely on this information when making your investment decisions.
- These figures are only examples and are not guaranteed - they are not minimum or maximum amounts.
- The values within this costs and charges section are not adjusted for inflation.

Funds & Shares Service

Investment product costs portfolio breakdown

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Asset name	SEDOL / ISIN	Weight	Initial charge	Ongoing charge	Transaction charges	Incidental charges
Vanguard LifeStrategy 60% Equity A Acc	B3TYHH9	100.00%	0.00%	0.22%	0.04%	0.00%

These charges were provided by Morningstar on 02/09/2024.