



## iSIPP Pre-Sales Illustration

The Financial Conduct Authority is the financial services regulator. It requires us, iSIPP to give you this important information to help you to decide whether the iSIPP 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.

The purpose of this illustration is to show what benefits you may receive from your SIPP at your selected retirement age, shown in today's prices. The projected amounts shown in this illustration have been calculated using standard assumptions for the investment returns and the effect that charges will have on what you might get back.

You should read this illustration along with our Fee Schedule, Key Features Document, Terms of Business and Investment Guidelines so you understand the current charges, risks and benefits of investing in the iSIPP.

### Your Transfers in

Transfers from other pension schemes:

£500,000.00

## Standard Lifetime Allowance

The Standard Lifetime Allowance (“LTA”) is the value of all your pensions savings under UK Registered Pension Schemes, that you can save without incurring additional tax charges; this is currently £1,073,100. If your total value of your UK pension savings exceeds this LTA, then there will be an additional LTA tax charge on the excess.

This illustration does not take into account the LTA charge and we have assumed you have no protections applied to your Lifetime Allowance.

The LTA could change in the future; however, this illustration assumes that it remains at this level.

## What benefits could my SIPP provide?

At retirement you have a range of benefit options available to you under Flexi Access Drawdown and also the option to buy a pension annuity to provide you with an income for life.

For the purposes of this illustration, the FCA require us to provide you with an indication of your projected pension fund value and what pension annuity you may get at your selected retirement age. The illustration is based on prescribed Low, Mid and High investment growth rates, after allowing for all fees and charges shown below and assuming no income is taken from your fund.

In addition, we are required to reduce the projected figures to account for inflation. Inflation is the rise in costs of goods and services over time. The table below shows what your fund might be and the annuity that you could buy with that fund in "today's money". We show figures using "today's money" because inflation reduces how much you can buy in future. Think about how much £500 could buy 20 years ago and then think about what it can buy you today. The same will be true in the future. The illustration allows for an assumed inflation rate of 2.00% p.a.

Projection Type	Growth Rate	Pension Fund Value	Full Annuity (1)	PCLS (2)	Residual Annuity (3)
Low	0%	£427,000	£19,400	£106,000	£14,600
Mid	3%	£1,150,000	£64,800	£136,000	£57,200
High	6%	£3,030,000	£205,000	£136,000	£196,000

(1) The FCA prescribed Low, Mid and High investment growth rates are 2%, 5% and 8% respectively, before allowing for fees.

(2) Assumes all your retirement fund is used to provide you with an annual pension annuity.

(3) Assumes your fund is used to provide you with a Pension Commencement Lump Sum, and the remaining balance is then used to provide a smaller annual pension annuity.



## Charges and Fees payable

This illustration incorporates the following charges and fees. Charges may vary over time.

In line with FCA requirements and for illustration purposes only, all fixed charges are assumed to increase each year in line with inflation at 2.00% p.a.

iSIPP Fees are shown inclusive of UK VAT at 20.00%, where relevant.

Our Fee <sup>1</sup>	Trust and Platform Services Fee	
	Annual Trust Fee	Platform Services Fee
	£200.00 p.a.	0.25% p.a.
Investment Fees <sup>2</sup>	Ongoing Charge Figure (OCF)	
	0.17% p.a.	

<sup>1</sup> Our Fee:

- Annual Trust Fee: in relation to the ongoing administration of your SIPP, as per the services provided and detailed within the Terms of Business, payable to iSIPP.

<sup>2</sup> Investment Fees:

- For the basis of this pre-sales illustration we have used an ongoing charge figure of 0.17%. The actual charges payable on the underlying investments will depend on the actual investments held by your SIPP.

Please note that iSIPP will not receive any retained interest in relation to money held within the SIPP.



## How the charges reduce the value of your SIPP?

The table below shows the projected value of your SIPP and how the above charges will affect the value of your fund by reducing the value of saving and investment and the effective investment yield on your fund.

The table assumes that your chosen investment funds will grow at the "Mid" growth rates shown in the "Your selected investment funds" section. The figures below also allow for the impact of inflation at 2.00% per annum.

At end of year	The payments into your plan	Before charges are taken	If only plan and investment charges are taken	After all charges are taken from this plan
1	£500,000	£514,000	£512,000	£512,000
3	£500,000	£545,000	£537,000	£537,000
5	£500,000	£577,000	£564,000	£564,000
At age 75	£500,000	£1,340,000	£1,150,000	£1,150,000

In the final year of the SIPP, in percentage terms the reduction from £1,340,000.00 to:

- £1,150,000.00 means that the SIPP charges and investment charges will reduce the yearly growth rate from 3.00% to 2.50%. This is a reduction in growth of 0.50% a year
- £1,150,000.00 means that all charges will reduce the yearly growth rate from 3.00% to 2.50%. This is a reduction in growth of 0.50% a year
- The information about the reduction in investment growth can be used to compare the effect of charges with similar products.

**IMPORTANT NOTE:** The above figures are for illustration purposes only and are not guaranteed. The value of the SIPP depends on how your investments perform after charges and fees.

When you buy a pension annuity or transfer your funds to another provider, the value of your fund could be less than the amount you put in at the start of the SIPP. This will happen if the fund growth is less than the charges and expenses.

## What additional assumptions have been included when producing your illustration?

This illustration is for illustrative purposes only and does not represent any guarantee of future performance or benefits. It is based on a number of assumptions as detailed about future events. Actual benefit could vary significantly.

In addition to the assumptions outlined previously, in line with FCA requirements this illustration includes the following additional assumptions:

1. To calculate the yearly pension annuity income, we use an assumed pension annuity rate based on 40 years of age, and interest rates between the date of the illustration and assumed retirement date of 75. No allowance has been made for your health or lifestyle.
2. The Pension annuity income is assumed to be level and payable monthly in advance, guaranteed for 5 years, with 50% payable to your surviving spouse/partner on death. For the basis of this pre-sales illustration we have assumed you are married/in a civil partnership.
3. Fixed monetary fees are assumed to increase each year in line with inflation.
4. The projection assumes that you do not draw any income or one-off lump sums from the SIPP. It also assumes the value of your pension fund is within the standard Lifetime Allowance and no LTA tax charge applies.
5. The FCA set standard growth rates that companies can use in projections but allow us to use our growth rate assumptions where appropriate. Growth rates aim to give you an idea of what you might expect to receive at the selected retirement age. They are assumptions and the amount of investment return is not guaranteed.

## Keeping track of your SIPP

This illustration has been prepared to help you plan for your retirement and your SIPP should be reviewed regularly.

We will send you a statement each year to show you how your pension fund is doing and what your benefits might be worth.

You may choose to take your benefits at any time on or after reaching the minimum age permitted of 55 and this will impact the level of your retirement benefits.

There may be additional implications in relation to the taxation of your benefits and detailed advice should be sought in advance.