

Your personal drawdown transfer illustration for the M&G Wealth Pension Account

Produced on 6 July 2023

The Financial Conduct Authority is a financial services regulator. It requires us, M&G Wealth Platform, to give you this important information to help you to decide whether our M&G Wealth Pension 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 plan 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
Test Client
15 February 1955

Reference
QTE-000000000000
Dependant
Name not supplied
23 March 1956

Adviser details
Adam Adviser
123456
ABC Advice

Your summary (based on a start date of 6 July 2023)

Illustration end date 15 February 2025	Initial amount in drawdown £210,000	Initial amount not in drawdown £0
Cash lump sum in the first year £0	After taking into account inflation, total amount withdrawn in the first year before tax (as regular withdrawals every month) is £0 every year (£0 every month)	
Each year charges will reduce the assumed annual growth rate of your plan, after inflation, by 3.3% 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 plan by £8,480		
After taking into account all charges, based on the withdrawals above that start on 6 July 2023 and assuming that your investments grow at 2.9% a year above inflation		
At the end of year 1 , your plan could be worth £207,000	At the end of year 5 , your plan could be worth n/a	At the end of year 10 , your plan could be worth n/a

This illustration sets out the following:

- 1 What you might get back
- 2 How much money you'll contribute
- 3 What you'll withdraw from your plan
- 4 Where your money will be invested
- 5 What are the charges?
- 6 How charges can affect the value of your plan
- 7 Critical Yields
- 8 Summary of Charges

1. What you might get back

This section shows what your plan 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 plan. The statement will show you all payments received into your plan and payments, including charges, which have been deducted.

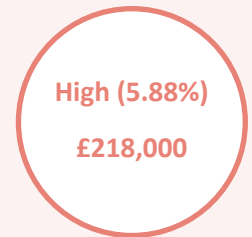
Low (0.00%)				
Age at start of year	Funds in drawdown	Maximum Income	Income taken	
68	£201,000	£481,439	£0	
Final year	£199,000	£324,427	£0	

Mid (2.94%)				
Age at start of year	Funds in drawdown	Maximum Income	Income taken	
68	£201,000	£481,439	£0	
Final year	£205,000	£324,427	£0	

High (5.88%)				
Age at start of year	Funds in drawdown	Maximum Income	Income taken	
68	£201,000	£481,439	£0	
Final year	£210,000	£324,427	£0	

1. What you might get back

On 15 February 2025
your plan could be worth



Meaning you could buy an annuity of

£5,610

£7,690

£10,200

The Lifetime Allowance (LTA) is a limit on the value of benefits that can be taken across all your retirement plans without you having to pay an extra tax charge. For most people, this limit is currently £1,073,100. For the purposes of this illustration, we have assumed that this limit will not increase in the future. This illustration does not consider any LTA tax charge you would have to pay if your pension savings were higher than your LTA, or any restriction or change that may apply to the maximum cash lump sum you would be entitled to if you used up your available LTA (in this plan or any others) or because of any LTA or lump-sum protection you have.

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 plan might be worth, and the annuity it could buy you, on 15 February 2025, taking into account future inflation of 2.0% every year from now until 15 February 2025. For example, if all our assumptions are right and assuming your investments grow at 2.94%, on this date your plan could buy you what £208,000 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.

Annuity assumptions

When we worked out the annuity you could get on 15 February 2025, we assumed that:

- when you turn your plan into an annuity, it will increase each year by 3.00%
- the annuity will be paid at the end of every three months
- the annuity will be guaranteed for 5 years, and
- you want to provide an annuity of 22.67% of your pension for your dependant after you die.

If you purchased an annuity at the transfer date

Using current market rates and the assumptions shown above, your total investment would provide you with an annuity of £11,106 before tax at the transfer date.

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

2. How much money you'll contribute

There is an annual limit on the amount that you can pay into your plan 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 £240,000, then you'll be subject to the tapered Annual Allowance. This means that for every £2 your adjusted income goes over £240,000, your Annual Allowance for that year reduces by £1.

Money in drawdown

£210,000

Crystallised transfer

Invested in Decumulation Transfer 01 - Bespoke
Investment Strategy

3. What you'll withdraw from your plan

You've chosen not to take any income.

Sample

4. 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.

Decumulation Transfer 01 - Bespoke Investment Strategy

% invested	Investment name	Growing at
70.00%	BlackRock Throgmorton Trust Plc Ordinary Shares 5p	2.94%
30.00%	Smurfit Kappa Group Plc Ordinary Shares EUR 0.001	2.94%

Sample

5. 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 plan value changes over time.

Product charges

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

Annual Platform Charge	Below £1,000,000	0.23%
	£1,000,000 - £3,000,000	0.10%
	£3,000,000 - £5,000,000	0.06%
	Above £5,000,000	0.00%

Interest paid on Platform Cash Accounts	2.40%
--	--------------

Platform cash is held with a minimum of three banks, chosen for financial strength, competitive interest rates, and to maximise consumer protection. This approach allows us to reduce interest rate volatility.

The average interest rate received by us is detailed here. We pass this interest received, in respect of your cash account, on to you.

Please note that the Platform Charge is deducted from your Cash Account.

Adviser charges

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

Initial Adviser Charge	2.13%
-------------------------------	--------------

Ongoing Adviser Charge	£200.17
-------------------------------	----------------

Investment charges

These are charges applied for managing your selected investments.

Investment charges for strategy: Decumulation Transfer 01 - Bespoke Investment Strategy

BlackRock Throgmorton Trust Plc Ordinary Shares 5p

Initial Charge	0.00%
-----------------------	--------------

OCF	0.58%
------------	--------------

Transaction Costs	0.70%
--------------------------	--------------

Incidental Costs	1.00%
-------------------------	--------------

Smurfit Kappa Group Plc Ordinary Shares EUR 0.001

Initial Charge	0.00%
-----------------------	--------------

OCF	0.00%
------------	--------------

Transaction Costs	0.00%
--------------------------	--------------

Incidental Costs	0.00%
-------------------------	--------------

All data for asset costs and charges within this illustration is provided by FE fundinfo. FE fundinfo have taken care that the information is correct, but doesn't warrant, represent or guarantee the contents of the information. Neither IFDL nor FE fundinfo accepts any responsibility for errors, inaccuracies, omissions or any inconsistencies in the data contained in this illustration.

6. How charges can affect the value of your plan

Below, we show you how charges can affect the value of your plan. When we worked out these figures, we assumed that your plan 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 plan	Withdrawals	Cost of advice	Before charges are taken	If only product and investment charges are taken	After all charges are taken from this plan
1	£205,000	£0	£4,582	£216,000	£212,000	£207,000
2	£203,000	£0	£4,656	£220,000	£213,000	£208,000
At age 70	£203,000	£0	£4,656	£220,000	£213,000	£208,000

Before charges are taken

The last line shows that without charges your plan could be worth **£220,000**. This assumes your plan grows at 2.9% a year.

2.9%

If only product and investment charges are taken

The reduction from £220,000 to **£213,000** shows that just product and investment charges could reduce the rate your plan grows at each year from 2.9% to 1.0%. This is a reduction in growth of **1.9%** a year.

1.0%

After all charges are taken from this plan

The reduction from £220,000 to **£208,000** shows that all charges could reduce the rate your plan grows at each year from 2.9% to -0.4% a year. This is a reduction in growth of **3.3%** a year.

-0.4%

Sample

7. Critical Yields

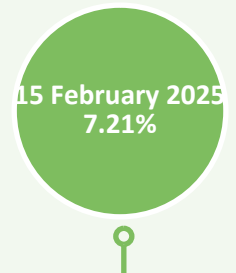
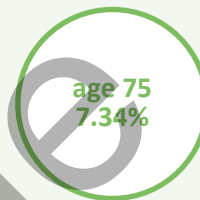
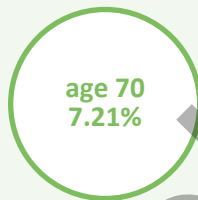
One of the reasons you might choose a drawdown pension over an open market annuity is that a drawdown pension could provide you with a higher level of income. The income you get from your drawdown pension is largely dependent on the growth it achieves, whereas the income from an open market annuity will depend on the market interest rates and your age at the time you decide to buy. As we can't guarantee either the growth or the market interest rates in the future, you should be aware of the pros and cons of choosing a drawdown pension or an open market annuity. Note that the critical yields shown in this section don't take into account inflation.

Critical Yield Type A

Critical Yield Type A is the minimum growth rate needed if you wanted to take an income from your drawdown pension that matches the open market annuity you could get and also have enough money on 15 February 2025 to buy an open market annuity that maintains this income.

Your total investment would provide an open market annuity of
£11,106
a year before tax, based on the assumptions in the **Annuity assumptions** section.

Critical yield required to
achieve growth at:



This shows that in order to support an income of £11,106 a year before tax up to 15 February 2025 and maintain that income by buying an open market annuity at that date, your plan would have to grow by 7.21% a year. Note that Government Actuary's Department maximum income limits were not taken into account. If the actual income you take is constrained by these limits, then the critical yield required will also be reduced.

8. Summary of Charges

Below is a summary of the projected charges you could pay in the first year of your plan. The percentages shown are the monetary amounts as a percentage of the plan value at the end of the first year, before charges are taken (see the **How charges can affect the value of your plan** section). We'll send you information on the actual costs and charges every year, in the Annual Summary of Charges statement

Charges summary for year 1

Product costs	£3,801.84	1.72%
These are costs related to the specific investments you have chosen.		
Service costs	£4,673.17	2.12%
These are costs related to the provision of the investment service.		
Total costs	£8,475.01	3.84%

Itemisation of product charges for year 1

One-off costs	£0.00	0.00%
These are costs taken once throughout the term of the illustration.		
Ongoing costs	£1,327.55	0.60%
These are costs taken each year for managing your product and investments.		
Transaction costs	£1,016.51	0.46%
These are costs incurred by buying and selling underlying investments. If the values shown above are negative, this represents a reduction in the overall cost you'll pay the fund manager.		
Incidental costs	£1,457.78	0.66%
These are costs related to the impact of the performance fee.		

Itemisation of service charges for year 1

One-off costs	£4,473.00	2.03%
These are costs taken once throughout the term of the illustration.		
Ongoing costs	£200.17	0.09%
These are costs taken each year for managing your product and investments.		
Transaction costs	£0.00	0.00%
These are costs incurred by buying and selling underlying investments. If the values shown above are negative, this represents a reduction in the overall cost you'll pay the fund manager.		
Incidental costs	£0.00	0.00%
These are costs related to the impact of the performance fee.		
Ancillary costs	£0.00	0.00%
These are costs related to ancillary services not included above.		