

Fund charges factsheet

For the TSB Pension Scheme

This guide lists the current fund charges and provides you with details of where to find further information about the investment options available to you.

Investment costs

We have negotiated preferential rates with the investment managers. This ensures the costs you pay are low for the type of funds offered. There are three areas where costs will arise:

Administration

The investment options are delivered to you via an investment platform provided by Zurich, giving you access to a wide range of investment funds. The charges for providing this service are met fully by the Trustee.

Unit pricing

Historically, the price at which contributions bought units in a fund (the offer price) was at any given time greater than the value you would have received if you had sold these units (the bid price). The difference between the bid and offer prices (the 'bid-offer spread') represented a 'hidden' charge primarily to cover dealing costs.

Similar to most defined contribution arrangements, the Scheme operates on a single pricing basis. The price at which units can be bought and sold on any given day will be the same. However, that price can be anywhere in the range between the bid and offer prices. The investment managers set the price for each fund based on how much is being invested or disinvested on any one day (if more units are purchased than sold in a day, the offer price is used, and if more units are sold than purchased, the bid price is used).

Management charge

Annual charges are calculated as a percentage of the value of the investment funds and are deducted by the investment providers. The table on page 2 sets out the Total Expense Ratio (TER) for each of the 14 available funds. For example, a TER of 0.45% means that for every £100 held in the fund, 45p will be deducted.

Investment choices

Refer to **Investment choices for the TSB Pension Scheme** for more information about the investment options available to you.

Reviewing investment performance

The Trustee reviews the objectives and performance targets for each fund on a regular basis and reserves the right to change the choice of funds and the investment managers at any time.

Current Charges

These are the current TERs for the funds:

Asset Class	Investment Fund	TER*
Equity	Asia Pacific excluding Japan Equity Fund	0.048%
	Continental Europe Equity Fund	0.043%
	Emerging Markets Equity Fund	0.300%
	Global Equity Fund	0.049%
	Japan Equity Fund	0.045%
	North America Equity Fund	0.040%
	UK Equity Fund	0.028%
Bond	Corporate Bond Fund	0.043%
	Index-Linked Gilt Fund	0.030%
	Mixed Bond Fund	0.043%
Multi-asset	Diversified Fund	0.260%
	Growth Fund	0.110%
Property	Property Fund	0.570%
Cash	Cash Fund	0.050%

*TER (Total Expense Ratio) is the total running cost per annum expressed as a percentage of funds invested, including annual management and administration charges.

This guide should be read in conjunction with 'A guide to the TSB Pension Scheme'. The Trustee may change any or all of the terms and conditions outlined in this guide at any time without prior notice to you. If there is any discrepancy between the content of this guide and the Rules, the Rules will always take precedence.

This document is also available in large print, Braille or audio format.