



MY NEST EGG LTD

DEFAULT PENSION

ILLUSTRATION

BALANCED

Version number	1.1
Last updated	MAY 2024



mynestegg Default Pension Illustration - Balanced

The Financial Conduct Authority is the financial services regulator. It requires us, My Nest Egg Ltd, to give you this important information to help you to decide whether the My Nest Egg Ltd Pension is right for you.

You should read this document carefully, in conjunction with the Key Features Document, so that you understand what you are buying, and then keep it safe for future reference.

This illustration is intended to give you a summary of the account you have chosen, the potential benefits and associated fees using a generic illustration.

The illustration details

Current age	35
Retirement age assumed	65

1. Contributions

The following tables in section 2 show examples of someone contributing one off gross contributions of £1,000, £5,000 and £10,000, and regular gross contributions of £50, £100 and £250 per month into their mynestegg pension.

2. What the future of this plan could look like

The tables below show what a pension might be worth for someone turning 65 years old, who is currently 35 years old, and the annuity that they could buy with the pot. We inflation adjust figures to account for how inflation reduces the purchasing power of your pot in the future. For example, £1,000 ten years ago was worth a different amount than £1,000 today, which our inflation adjustment aims to account for. The assumptions made in calculating the numbers are listed in section 3.

How the portfolio is projected to perform:

Lump Sum Payments									
Years to retirement	Low growth (-0.5%)			Medium growth (2.5%)			High growth (5.5%)		
	£1,000	£5,000	£10,000	£1,000	£5,000	£10,000	£1,000	£5,000	£10,000
Projected value of your pension	£861	£4,303	£8,607	£2,115	£10,577	£21,153	£5,187	£25,937	£51,874
Amount of annuity the total pension pot can buy when you turn 65	£54	£271	£542	£133	£665	£1,333	£327	£1,634	£3,268
Tax free lump sum amount you can take (PCLS)	£215	£1,076	£2,152	£529	£2,639	£5,288	£1,297	£6,484	£12,969
Amount of annuity the residual pension pot can buy you when you turn 65, after withdrawing the tax-free lump sum	£41	£203	£407	£100	£499	£999	£245	£1,226	£2,451

Monthly Payments									
Years to retirement	Low growth (-0.5%)			Medium growth (2.5%)			High growth (5.5%)		
	£50	£100	£250	£50	£100	£250	£50	£100	£250
Projected value of your pension	£16,718	£33,437	£83,591	£26,768	£53,537	£133,842	£45,681	£91,361	£228,403
Amount of annuity the total pension pot can buy when you turn 65	£1,053	£2,106	£5,266	£1,686	£3,373	£8,432	£2,878	£5,756	£14,389
Tax free lump sum amount you can take (PCLS)	£4,180	£8,357	£20,898	£6,692	£13,384	£33,461	£11,420	£22,840	£57,101
Amount of annuity the residual pension pot can buy you when you turn 65, after withdrawing the tax-free lump sum	£790	£1,579	£3,950	£1,265	£2,530	£6,324	£2,158	£4,317	£10,792

The below tables have been produced to support the above, showing what the potential values of the pension plan and taxable annual pension that someone could get if they retired in 20, 25, 30, 35 and 40 years' time. The figures are inflation adjusted and the first table shows a range of lump sum contributions and the second table shows a range of regulatory monthly contributions.

The benefits in the pension are proportionate to the payment, so for example paying twice the payment would give twice the pension plan value at retirement and twice the taxable annual pension for the same investment term.

Lump Sum Payments									
Years to retirement	Low growth (-0.5%)			Medium growth (2.5%)			High growth (5.5%)		
	£1,000	£5,000	£10,000	£1,000	£5,000	£10,000	£1,000	£5,000	£10,000
20	£905	£4,524	£9,048	£1,648	£8,240	£16,479	£2,997	£14,985	£29,970

My Nest Egg Limited is authorised and regulated by the Financial Conduct Authority, no.1004744. My Nest Egg Limited is registered in England and Wales, no. 14593331 and has its registered office at: X+why, East Embankment Tower, 100 Cathedral Approach, Manchester, M3 7FB.

25	£882	£4,412	£8,825	£1,867	£9,335	£18,670	£3,943	£19,715	£39,430
30	£861	£4,303	£8,607	£2,115	£10,577	£21,153	£5,187	£25,935	£51,870
35	£839	£4,197	£8,394	£2,397	£11,984	£23,967	£6,825	£34,125	£68,250
40	£819	£4,093	£8,187	£2,716	£13,578	£27,155	£8,980	£44,900	£89,800

Monthly Payments (gross)									
Years to retirement	Low growth (-0.5%)			Medium growth (2.5%)			High growth (5.5%)		
	£50	£100	£250	£50	£100	£250	£50	£100	£250
20	£11,422	£22,844	£57,109	£15,549	£31,098	£77,745	£21,781	£43,562	£108,905
25	£14,103	£28,206	£70,516	£20,809	£41,618	£104,045	£32,102	£64,204	£160,510
30	£16,718	£33,437	£83,591	£26,768	£53,536	£133,840	£45,681	£91,362	£228,405
35	£19,269	£38,538	£96,344	£33,521	£67,042	£167,605	£63,546	£127,092	£317,730
40	£21,756	£43,513	£108,782	£41,171	£82,342	£205,855	£87,052	£174,104	£435,260

3. Assumptions Used

The growth rates shown below have been projected on the basis of an expected growth rate, adjusted by an annual 2.5% inflation rate to show you how your portfolio may perform and what that means in today's money. An expected growth rate is first applied to get to a projected pension value. This is then reduced by an assumed inflation rate of 2.5% to account for a regulator mandated expected cost of living rise of 2.5% per year on average.

Growth rate applied to the pension

Investment name	Low growth	Medium growth	High growth
Mynestegg Default Balanced	-0.50%	2.50%	5.50%

Lifetime Allowance (LTA)

The Lifetime Allowance is a historical limit on the amount of pension benefit that can be drawn from pension schemes without incurring additional tax charges. This was previously set at £1,073,100 but is no longer in place.

Benefit assumptions

My Nest Egg Limited is authorised and regulated by the Financial Conduct Authority, no.1004744. My Nest Egg Limited is registered in England and Wales, no. 14593331 and has its registered office at: X+why, East Embankment Tower, 100 Cathedral Approach, Manchester, M3 7FB.



The following assumptions have been made about the annuity you could purchase at the time that this illustration was generated:

- Your annuity will be paid at the start of each month.
- Your annuity payments will be a consistently paid amount, and will remain at the same level.
- No annuity will be paid to your dependant in the event of your death.

4. Fees

The fees associated with this illustration are set out below. This section breaks down how you are charged for each service provided and the next section summarises the impact of these fees on your investments.

Summary of fees

The below table shows the fees that you would pay if you invested a one off payment of £1,000 for 30 years and assumes a medium growth rate as per the table in Section 3.

Breakdown of your fees in the first year

Charge type	Total (£)	Total (%)
Annual account fee	£4.00	0.40%
Mynestegg Default Balanced fee	£2.30	0.23%
Total	£6.30	0.63%

The above fees take into account the following:

- Platform charge: For the custodian of your assets invested through mynestegg.
- Product charge: For the maintenance of the tax efficient wrapper that you have selected.
- Fund manager charge: For the running of the investment fund selected for you.

5. The effect of fees on the future value of the plan

Below, we show the potential effect of fees over time on an investment with mynestegg. We have assumed that the investments will grow at the medium growth rate shown in the "How your portfolio is projected to perform" section, based on the asset mix in the portfolio. These growth rates are an assumption and not guaranteed.

Impact of fees on the value of the pension

- The investment timeframe is 30 years, based on a £1,000 gross one-off payment and £100 gross per month thereafter.

My Nest Egg Limited is authorised and regulated by the Financial Conduct Authority, no.1004744. My Nest Egg Limited is registered in England and Wales, no. 14593331 and has its registered office at: X+why, East Embankment Tower, 100 Cathedral Approach, Manchester, M3 7FB.

- The difference between columns 4 and 5 shows how the sum of all fees could affect your plan.
- The last column also shows what you could transfer to another plan.

At end of year	Payments in	Withdrawals	Before fees taken	After all fees are taken
1	£2,200	£0	£2,239	£2,229
2	£3,400	£0	£3,510	£3,482
3	£4,600	£0	£4,812	£4,758
4	£5,800	£0	£6,148	£6,058
5	£7,000	£0	£7,517	£7,382
6	£8,200	£0	£8,921	£8,732
7	£9,400	£0	£10,360	£10,107
8	£10,600	£0	£11,836	£11,508
9	£11,800	£0	£13,349	£12,935
10	£13,000	£0	£14,901	£14,390
Final year 30	£37,000	£0	£55,652	£49,986

Impact of fees on the growth of the plan

The table shows the impact of fees over the length of your plan. It shows that if there were no fees, your plan could be worth £55,652, and that it could be worth £49,986 after all fees are deducted.

The reduction from £55,652 to:

- £49,986 means that all the fees could reduce the yearly growth rate from 2.50% to 1.87%. This is a reduction in growth of 0.63% per year.

The growth rate used in this section is not guaranteed and is the medium rate used in the projections shown earlier. The reduction in growth figures provided above are representative of the reduction in growth figures for each of your

My Nest Egg Limited is authorised and regulated by the Financial Conduct Authority, no.1004744. My Nest Egg Limited is registered in England and Wales, no. 14593331 and has its registered office at: X+why, East Embankment Tower, 100 Cathedral Approach, Manchester, M3 7FB.

investments. The above information about the reduction in investment growth can be used to compare the effect of fees with similar products.

Using the two tables on Page 3, the impact of charges using the same assumptions can be shown as:

£1,000 (gross) lump sum: Default Balanced (medium growth)			
Years to retirement	Total contributions	Before charges are taken	After all charges are taken
20	£1,000	£1,648	£1,453
25	£1,000	£1,867	£1,595
30	£1,000	£2,115	£1,752
35	£1,000	£2,397	£1,923
40	£1,000	£2,715	£2,112

£100 (gross) monthly: Default Balanced (medium growth)			
Years to retirement	Total contributions	Before charges are taken	After all charges are taken
20	£24,000	£31,097	£29,077
25	£30,000	£41,618	£38,209
30	£36,000	£53,537	£48,235
35	£42,000	£67,041	£59,243
40	£48,000	£82,342	£71,329

Both tables show that the charges reduced the return on the investment. The reduction from the amount shown in the 'If there were no charges' column to the amount shown in the 'After all charges are taken' column shows that the charges reduced the growth rate from 2.50% to 1.87%.