

Information that the Trustees of the Atlas Elektronik UK Pension Scheme must publish on a freely and publicly available website is set out below. This information has been taken from the Chair's Annual Statement, which is available to members and beneficiaries on request.

Illustration of costs and charges

Active members

The figures in the table below show the effect of the fund managers' charges on an active member's Retirement Account value over incremental periods for the next 40 years. The table shows the effect based on the assumptions set out in the notes below the table.

Projected Retirement Account in today's money								
Years to retirement	Strategy/fund choice							
	Default investment strategy		Schroders Intermediated Diversified Growth Fund		Schroders Global Equity Fund		Legal & General UK Equity Index Fund	
	Before charges	After all charges deducted	Before charges	After all charges deducted	Before charges	After all charges deducted	Before charges	After all charges deducted
1	£59,100	£58,800	£59,500	£59,100	£60,100	£59,800	£59,800	£59,800
3	£68,100	£66,800	£68,700	£67,300	£70,600	£69,500	£69,600	£69,500
5	£77,300	£74,900	£78,000	£75,400	£81,400	£79,400	£79,700	£79,400
10	£101,000	£95,000	£102,000	£95,600	£111,000	£106,000	£106,000	£105,000
15	£126,000	£115,000	£127,000	£116,000	£144,000	£134,000	£135,000	£134,000
20	£153,000	£136,000	£154,000	£136,000	£182,000	£165,000	£168,000	£165,000
25	£183,000	£157,000	£184,000	£157,000	£226,000	£201,000	£204,000	£200,000
30	£215,000	£179,000	£217,000	£180,000	£278,000	£241,000	£246,000	£240,000
35	£251,000	£202,000	£254,000	£203,000	£340,000	£287,000	£293,000	£286,000
40	£293,000	£227,000	£295,000	£228,000	£413,000	£340,000	£349,000	£339,000

Notes

1. Projected Retirement Account values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
2. The starting Retirement Account value is assumed to be £55,000.
3. Inflation is assumed to be 2.50% each year.
4. Contributions are assumed to continue to retirement age at a total rate of 6.414% and increase in line with assumed earnings inflation of 2.50% each year. Contributions are based on a current pensionable salary of £42,000 pa.
5. Values shown are estimates and are not guaranteed.
6. The projected growth rates before charges for the strategy/fund choices are as follows:
 - a. Default strategy: from 5.16% to 5.97% pa depending on how close you are to retirement.
 - b. Schroders iDGF: 6.00% pa.
 - c. Schroders Global Equity: 7.00% pa.
 - d. LGIM UK Equity Index: 6.50% pa.

Deferred members

The figures in the table below show the effect of the fund managers' charges on a deferred member's Retirement Account value over incremental periods for the next 40 years. The table shows the effect based on the assumptions set out in the notes below the table.

Projected Retirement Account in today's money								
Years to retirement	Strategy/fund choice							
	Default investment strategy		Schroders Intermediated Diversified Growth Fund		Schroders Global Equity Fund		Legal & General UK Equity Index Fund	
	Before charges	After all charges deducted	Before charges	After all charges deducted	Before charges	After all charges deducted	Before charges	After all charges deducted
1	£51,300	£51,000	£51,700	£51,300	£52,200	£51,900	£52,000	£51,900
3	£54,700	£53,700	£55,300	£54,100	£56,900	£56,000	£56,100	£55,900
5	£58,500	£56,600	£59,100	£57,000	£62,000	£60,300	£60,500	£60,300
10	£69,200	£64,600	£70,000	£65,000	£76,800	£72,800	£73,300	£72,700
15	£81,900	£73,700	£82,700	£74,200	£95,300	£87,800	£88,800	£87,700
20	£96,900	£84,000	£97,900	£84,600	£118,000	£106,000	£108,000	£106,000
25	£115,000	£95,800	£116,000	£96,500	£146,000	£128,000	£130,000	£127,000
30	£136,000	£109,000	£137,000	£110,000	£181,000	£154,000	£158,000	£154,000
35	£160,000	£125,000	£162,000	£125,000	£225,000	£186,000	£191,000	£185,000
40	£190,000	£142,000	£192,000	£143,000	£279,000	£224,000	£231,000	£224,000

Notes

1. Projected Retirement Account values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
2. The starting Retirement Account value is assumed to be £50,000.
3. Inflation is assumed to be 2.50% each year.
4. No further contributions are assumed.
5. Values shown are estimates and are not guaranteed.
6. The projected growth rates before charges for the strategy/fund choices are as follows:
 - a. Default strategy: from 5.16% to 5.97% pa depending on how close you are to retirement.
 - b. Schroders iDGF: 6.00% pa.
 - c. Schroders Global Equity: 7.00% pa.
 - d. LGIM UK Equity Index: 6.50% pa.

Charges and transaction costs for the default investment strategy

In general, the only charges paid by members are in relation to the investment of their retirement accounts.

The Total Expense Ratio (TER) that applied to the Scheme's default investment arrangement as at 30 June 2018 is detailed in the table below. As charges are published on a quarterly basis in arrears, they were not available as at 31 August 2018.

Years to retirement	TER
15+	0.77%
5 to 15	0.75% to 0.77%
2 to 5	0.75%
1 to 2	0.64% to 0.75%
0 to 1	0.53% to 0.64%

The TER sets out the total annual costs involved in running an investment fund. This includes the Annual Management Charge (AMC), plus other charges incurred in administering the fund (including, but not limited to, share registration fees, legal fees, auditor fees and custodian fees).

Transaction costs are incurred as a result of buying, selling, lending or borrowing investments. The costs mainly arise as a result of delivering a fund's target investment return where a passive or active investment approach is used. As an example, a fund may need to buy or sell assets when members pay money into or take money out of a fund, with the buying and selling of assets incurring costs.

Transaction costs arise as a result of participating in a financial market and are separate from any annual management charges. The transaction cost for buying or selling an investment includes all costs incurred by a buyer or seller from the point an order to transact is received, to the point at which the transaction is complete. These costs include all charges, commissions, taxes and other associated payments incurred directly or indirectly. These costs are ultimately borne by assets of the arrangement or of any investment in which the arrangement is directly or indirectly invested. Of these costs, some are easily identifiable and others may rely on the investment manager's judgement.

The following transaction costs applied to funds used in the Scheme's default investment strategy for the year to 31 August 2018:

Fund Manager	Fund	Transaction cost
Schroder Pension	Intermediated Diversified Growth Fund	0.367%
Newton	Real Return Fund	0.189%
Legal & General Assurance	Sterling Liquidity Fund	0.055%

Value for members

The Trustees are still concluding their formal assessment of whether the charges and transaction costs represent good value for members. Information on the Trustees' assessment and conclusions is expected to be included in next year's Chairman's Annual Statement.

The Trustees' review looks at the services members pay for over the four core areas set out in the Pensions Regulator's guidance: administration, investment governance, communications, scheme management and governance. The Trustees recognise that the only services that members routinely pay for are in relation to the investment of members' Retirement Accounts. In other words, the only costs borne by members are the charges and transaction costs that apply to the investment of their Retirement Accounts. Other charges can be incurred, including the payment of fees in relation to divorce proceedings or fees for investment switches, but these charges are ad hoc.

Following the expected change to the default investment strategy in 2019, the costs and charges borne by members in that strategy are expected to be lower than at present, so that the Trustees expect value for members to improve.

Trustees of the Scheme

In case of queries about the Scheme, members can consult the Scheme Guides.

Members can also contact the Scheme Trustees, who are:

Andy Kerr	Member-nominated Trustee
Russell Warren	Company-nominated Trustee – HR Director
Claire Evans	Company-nominated Trustee – CFO.