

One Stop Stores Pension Scheme

Illustration of costs and charges, transaction costs and value for members relating to the year ended 5 April 2020

The information set out on this website relates to the One Stop Stores Pension Scheme. On this page, members can find some useful information on the Scheme's charges, its transaction costs and Value for Members.

Since 6 April 2015, the Scheme's Trustee has been required to produce an annual statement, signed by the Chair, setting out certain information required by the Pensions Regulator. This document is called a Chair's Statement and a copy of the full version can be provided to you upon request.

Below, you will find extracts from the Chair's Statement, most of which cover the charges and transaction costs you incur as a member investing your pension account in the Scheme.

The information below is for noting but you may have questions. Should you wish to speak to someone about the information on this website or you require further information, you should contact:

One Stop Stores Trustee Services Limited

One Stop Stores Limited

Apex Road

Brownhills

Walsall

WS8 7HU

or by e-mailing 0026-Pensions@onestop.co.uk

Illustration of costs and charges

At the year end, there were no longer any active members, so the illustration of costs and charges below is for deferred members.

The figures in the table below show the effect of the fund managers’ charges on a deferred member’s fund value over the next 40 years. The table shows the effect based on the assumptions set out in the notes after the table.

Projected pension fund in today’s money

	Fund/strategy choice							
	Default investment strategy		Standard Life Corporate Bond Pension Fund		Standard Life Index Linked Bond Pension Fund		Standard Life Deposit & Treasury Pension Fund	
Years	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted
1	£3,320	£3,310	£3,330	£3,320	£3,280	£3,270	£3,270	£3,250
3	£3,400	£3,350	£3,400	£3,350	£3,250	£3,200	£3,200	£3,160
5	£3,530	£3,440	£3,460	£3,380	£3,220	£3,140	£3,140	£3,070
10	£4,040	£3,850	£3,640	£3,460	£3,140	£2,990	£2,990	£2,850
15	£4,750	£4,420	£3,820	£3,550	£3,070	£2,850	£2,850	£2,650
20	£5,600	£5,090	£4,010	£3,640	£2,990	£2,710	£2,710	£2,460
25	£6,590	£5,850	£4,210	£3,730	£2,920	£2,580	£2,580	£2,280
30	£7,760	£6,720	£4,420	£3,820	£2,850	£2,460	£2,460	£2,120
35	£9,140	£7,730	£4,640	£3,910	£2,780	£2,340	£2,340	£1,970
40	£10,800	£8,890	£4,870	£4,010	£2,710	£2,230	£2,230	£1,830

Notes to illustration

1. Projected pension fund values are shown in today’s terms and do not need to be reduced further for the effect of future inflation.
2. The starting pension fund value is assumed to be £3,300.
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 fund choices are as follows:
 - a. Default strategy: from 3.18% to 5.58% pa depending on the term is to retirement.
 - b. Standard Life Corporate Bond Pension Fund: 3.50% pa.
 - c. Standard Life Index Linked Bond Pension Fund: 2.00% pa.
 - d. Standard Life Deposit & Treasury Pension Fund: 1.50% pa.

Charges and transaction costs

The annual management charge for all funds including the default investment option is 1.0%. However, under the terms of the arrangement with Standard Life, 0.51% is rebated to members, giving an effective annual management charge of 0.49%. The rebate is achieved by creating extra units in each fund once a month.

The total expense ratio (TER) for all funds at the year-end, as reported by Standard Life, which takes into account all expenses relating to the management of the funds, is as follows:

Fund charges

Fund/strategy	Standard TER	Discount	Effective TER
One Stop Stores Lifestyle Strategy (default)	1.03%	0.51%	0.52%
Standard Life Vanguard FTSE UK All Share Index Pension Fund	1.02%	0.51%	0.51%
Standard Life Overseas Tracker Pension Fund	1.01%	0.51%	0.50%
Standard Life Corporate Bond Pension Fund	1.01%	0.51%	0.50%

Standard Life At Retirement (Multi Asset Universal) Pension Fund	1.03%	0.51%	0.52%
Standard Life Index Linked Bond Pension Fund	1.01%	0.51%	0.50%
Standard Life Deposit and Treasury Pension Fund	1.01%	0.51%	0.50%
Standard Life Ethical Pension Fund	1.01%	0.51%	0.50%
Standard Life Global Equity 50:50 Pension Fund	1.01%	0.51%	0.50%
Standard Life Money Market Pension Fund	1.01%	0.51%	0.50%
Standard Life Annuity Targeting Pension Fund	1.01%	0.51%	0.50%
Standard Life Property Pension Fund	1.03%	0.51%	0.52%

Standard Life has disclosed the following transaction costs for the period 1 April 2019 to 31 March 2020:

Fund transaction costs

Fund/strategy	Transaction cost
One Stop Stores Lifestyle Strategy (default)	0.0813%
Standard Life Vanguard FTSE UK All Share Index Pension Fund	0.0003%
Standard Life Overseas Tracker Pension Fund	0.1571%
Standard Life Corporate Bond Pension Fund	0.0309%
Standard Life At Retirement (Multi Asset Universal) Pension Fund	0.1917%
Standard Life Index Linked Bond Pension Fund	0.0469%
Standard Life Deposit and Treasury Pension Fund	0.0592%
Standard Life Ethical Pension Fund	0.0174%
Standard Life Global Equity 50:50 Pension Fund	0.2278%
Standard Life Money Market Pension Fund	-0.0022%
Standard Life Annuity Targeting Pension Fund	0.1037%
Standard Life Property Pension Fund	0.1869%

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 and the buying or selling of assets will incur costs.

Transaction costs arise as a result of participating in a financial market and are separate from any administration charges and 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 completes. 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 as specific costs incurred, but some are less identifiable and may rely on judgement.

As can be seen for the Money Market Pension Fund, it is possible for transaction costs to be negative due to the prescribed methodology for calculating them.

Value for members

In accordance with the Pensions Regulator's current DC Code of Practice and with relevant legislation available at the time of this statement, the Trustee concluded that the Scheme's overall benefits and options represent reasonable value for members for the following reasons:

- charges to the Scheme's default investment strategy are below the charge cap of 0.75% a year
- members have access to various asset classes, all of which have competitive fund management costs
- the Trustee challenges Standard Life on fund performance against fund benchmark
- members do not pay Scheme administration costs, or any professional adviser costs associated with running the Scheme
- members have access to new retirement flexibilities.

In view of the Company's decision to close the Scheme, a formal assessment of value for members was not conducted during the year. The Trustee accepted that, while the Scheme provided good value for members, by replacing the Scheme with the Legal & General WorkSave MasterTrust (RAS), better value for members would be possible. This is because the Legal & General WorkSave MasterTrust (RAS) has lower charges than the Scheme.

