

Test

VALUE FOR MONEY REPORT

Introduction and Context

This report has been prepared for Test. The data received from Test has assisted AgeWage to calibrate returns against a benchmark that can be used to analyse all individual DC pension pots and satisfy the Work and Pensions Select Committee's recent call for a common definition of value for money.

Results for Data Analysis

58
AgeWage
Score

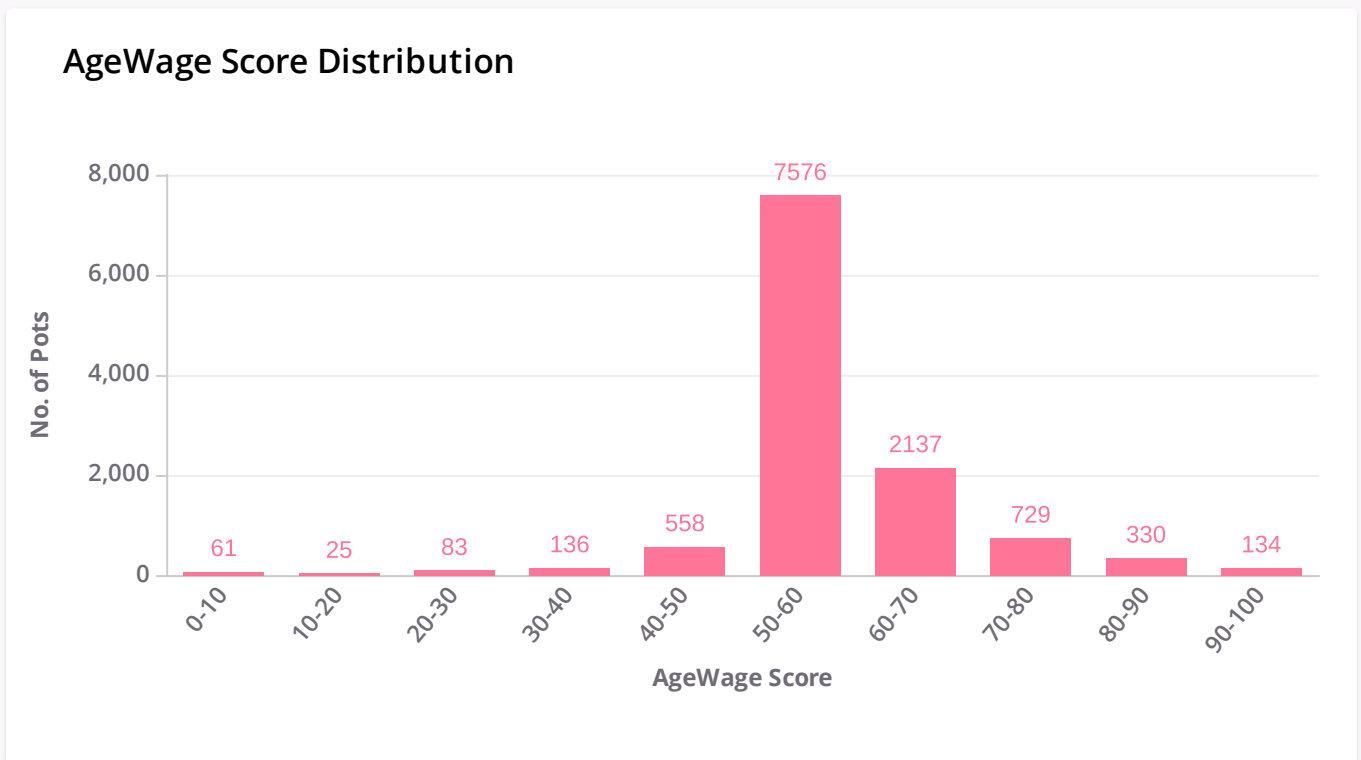
4.57%
Average
IRR

3.85%
Benchmark
IRR

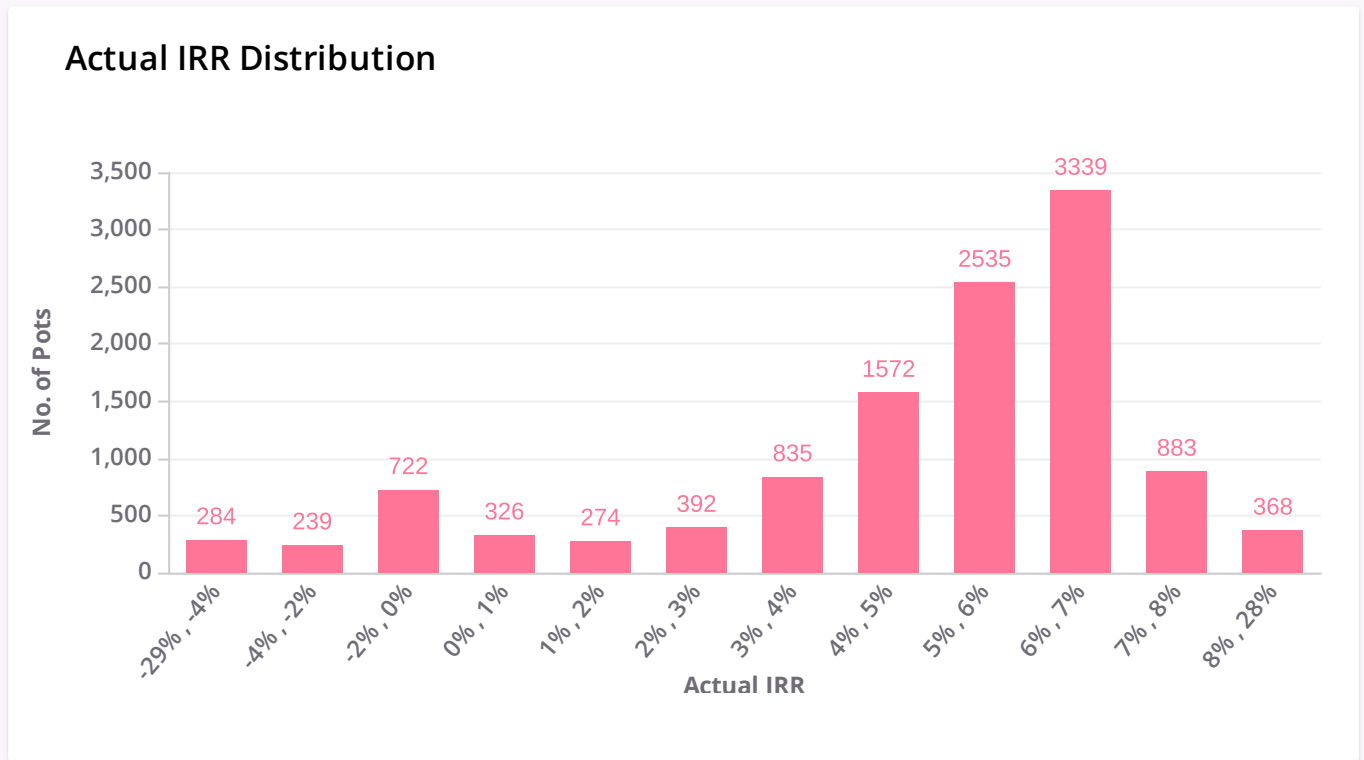
£523.35m
Assets
Analysed

AgeWage Score Distribution

The AgeWage score is calculated by comparing the Actual Internal Rate of Return (IRR) of individual savers with the Benchmark IRRs, generated by investing in the AgeWage benchmark fund prepared in collaboration with Morningstar. The AgeWage Score distribution below shows the number of pots in various score ranges. The average AgeWage score for 11769 Savers is 58.

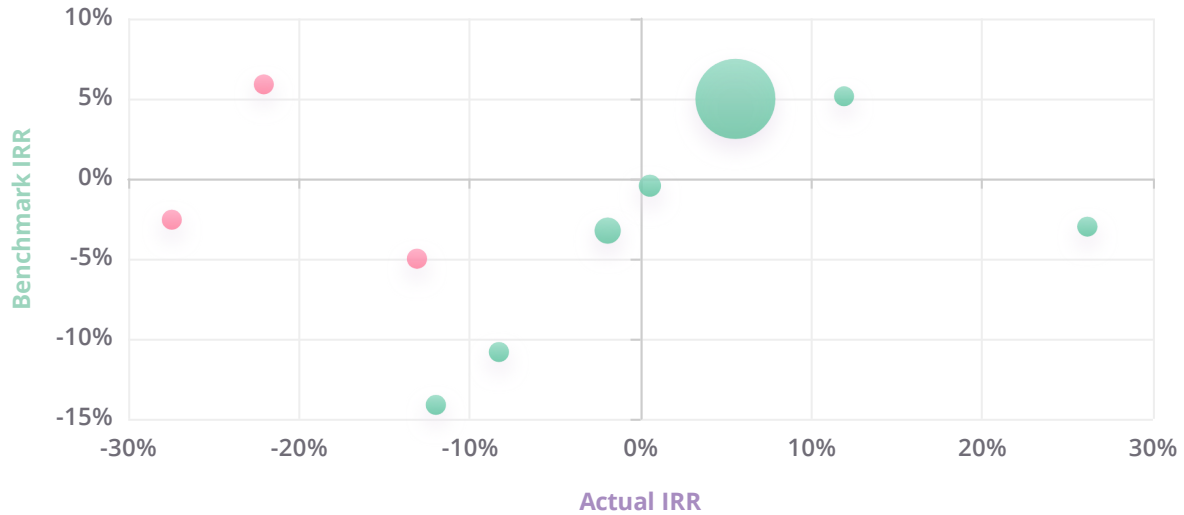


The Internal Rate of Return is calculated using the contribution history of savers. It takes the time value of money into account and generates annualised returns. The IRR distribution below shows the number of pots in different ranges of IRRs. The average IRRs for data provided is 4.57%



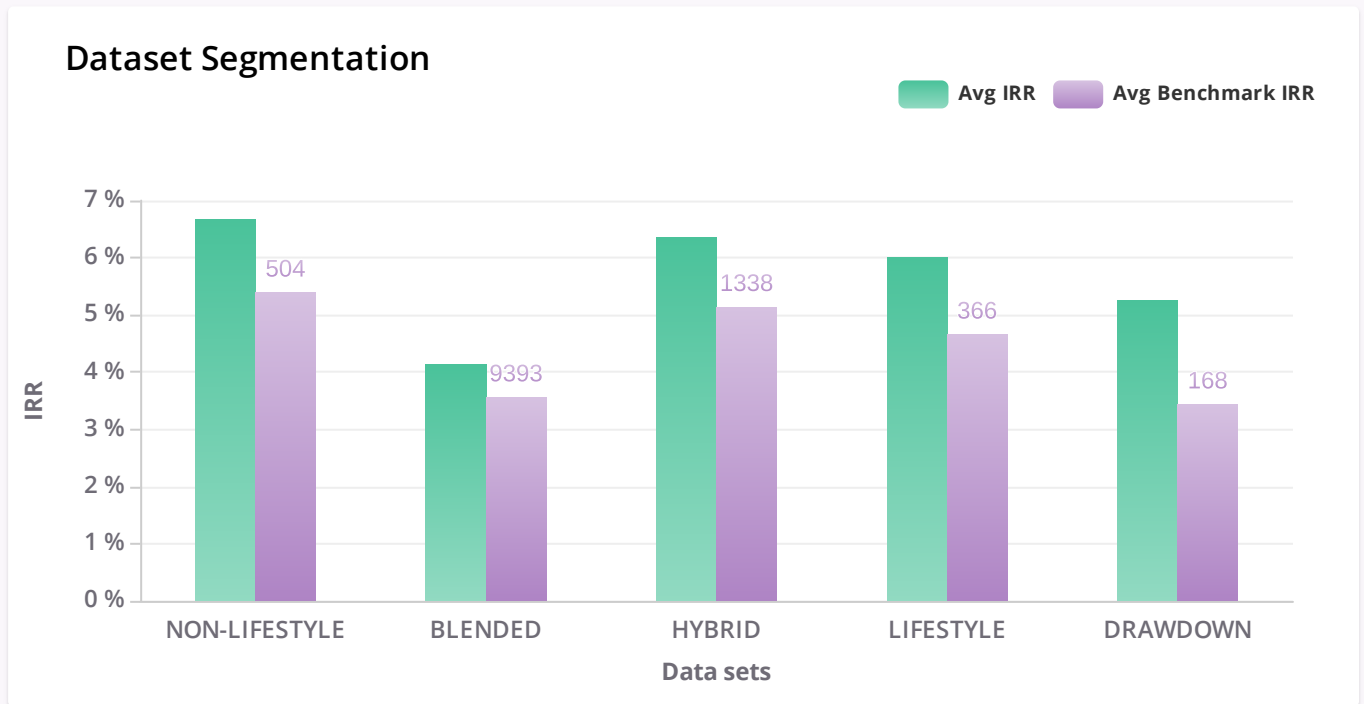
The dispersion of Actual vs. Benchmark IRR can be seen below. The size of the bubbles in the chart indicates the population of savers while the position represents their Actual and Benchmark IRRs. The green bubbles indicate an average AgeWage score above 50 outperforming the benchmark on average, while red bubbles have scores below 50 underperforming the benchmark. The chart can not only help understand the performance of the majority of savers but also help to identify outliers who have significantly out/under-performed.

Actual vs Benchmark IRR



Data Set Segmentation

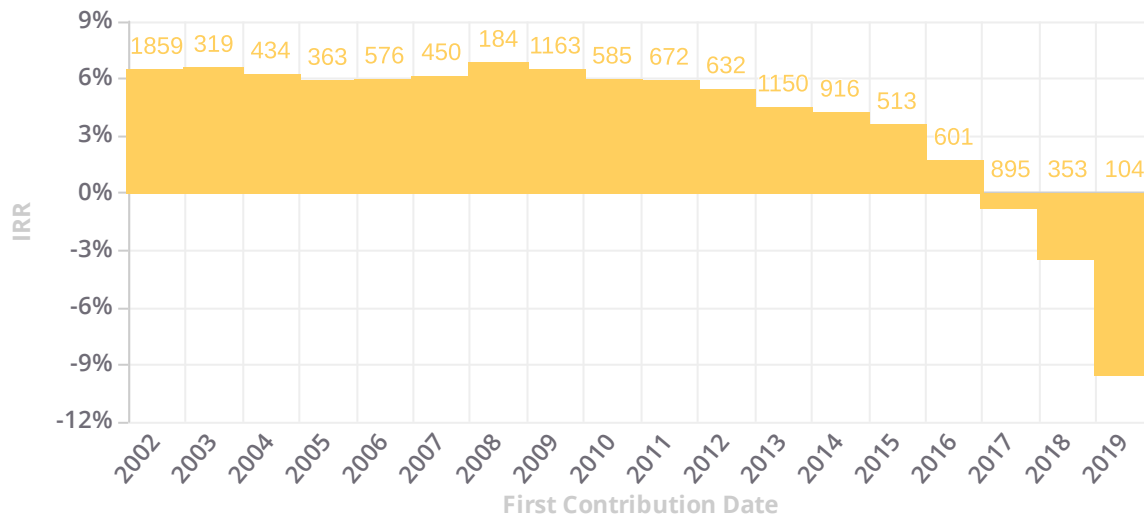
The performance of various data sets has been separated to analyse which sets are performing better. As the data sets are invested over different time periods, we have compared the data sets against the benchmark rather than relative to each other to get meaningful comparisons. A significantly underperforming data set would warrant a closer look into the constituent elements.



Impact of Start Date

IRRs vary over time. Viewing the experience of each joiner cohort helps understand pot adequacy at retirement. The graph below shows the impact of the first contribution date on the average IRRs of data set. It gives insights into why some savers have outperformed others in terms of absolute returns.

IRR vs Investment Start Date



Outliers

The following table shows a sample of savers which are detected as outliers in the data set due to high deviation from the benchmark fund or insufficient/faulty data. It is recommended to investigate these profiles individually. For full report of outliers please download the report from dashboard.

ID	Scheme	Actual IRR (%)	Benchmark IRR (%)	Remarks
43076218	#N/A	-100	5.89	0 NAV
43470110	#N/A	-100	1.42	0 NAV
45160519	#N/A	-100	-8.82	0 NAV
34026211	Blended	8.99	0	Contribution Record Inaccurate
38160363	Blended	20.85	5.7	Contribution Record Inaccurate
39201397	Hybrid	-51.26	4.16	Contribution Record Inaccurate
40451885	Blended	-42.9	3.42	Contribution Record Inaccurate
45177854	Blended	-13.65	-17.88	Short Contribution History
45178070	Blended	-14.19	-17.88	Short Contribution History
45178071	Blended	-14.19	-17.88	Short Contribution History