

Under regulations which took effect in January 2018 we have an obligation to provide clients with information on how the costs and charges relevant to their investments have impacted their account on an annual basis. This guide provides information on how to understand your statement.

This is a sample cost and charges statement and tells you how the costs and charges have affected your account in the period stated.

This section gives you a summary of the total costs and charges applied in the period stated.

We present this information so you can see how the different categories of charges affect your account, both from a monetary and a percentage perspective.

This provides a further breakdown of the costs and charges applied to your account; we explain the meaning of each of these charges at the bottom of the page.

This section allows you to compare the return if there were no charges applied to your account. **The cumulative effect is the combined effect of all of your investments over the period shown at the top of this statement**

The net return is the return received after the deduction of the costs and charges shown above.

Without these costs, the estimated return on your account would have been the gross return shown.

The effect of all charges in the period is the difference between the gross and the net figures.

Here we provide a description and further detail of the costs and charges categories.

Mr Example Client

Cost and Charges Statement

This document provides you with information to help you understand the costs and charges applied to your investment over the reporting period. It is not marketing material.

Account number	account number	Statement start date	01/01/2099
Currency	ccy	Statement End date	01/01/1900

The costs and charges shown together with net and gross rates of return reported cover the period from the statement start date to the statement end date shown above.

Charge	Amount (Ccy)	% of investment
Investment services and/or ancillary	0.00	0.00%
Third Party Payments received by the Investment Plan	0.00	0.00%
Investment Product costs	0.00	0.00%
Total costs and charges	0.00	0.00%

Itemised breakdown of cost and charges

Charge Type	Investment Services		Financial Instruments		Total Costs and Charges	
	Amount	%	Amount	%	Amount	%
One - off charges	0.00	0.00%	0.00	0.00%	0.00	0.00%
Ongoing charges	0.00	0.00%	0.00	0.00%	0.00	0.00%
Transaction costs	0.00	0.00%	0.00	0.00%	0.00	0.00%
Ancillary services	0.00	0.00%	0.00	0.00%	0.00	0.00%
Incidental cost	0.00	0.00%	0.00	0.00%	0.00	0.00%
Total costs and charges	0.00	0.00%	0.00	0.00%	0.00	0.00%

Cumulative effect of cost & charges on return

	Percent %
Return before the deduction of cost and charges (gross)	0.00
Return after the deduction of cost and charges (net)	0.00
Cumulative effect of cost and charges on return	0.00%

Description of Financial Instrument costs

Charge Type	Description
One-off charges	The one-off cost includes the entry and exit charges.
Ongoing charges	The ongoing charges are the charges for running the portfolio. These charges include but are not limited to investment management fees, valuation fees, audit fees, legal fees.
Transaction costs	The transaction costs are the costs incurred for purchasing and selling securities within the portfolio. Costs include brokerage commissions, stamp duty and spreads.
Ancillary services	The ancillary services includes investment management research fees.
Incidental costs	The incidental costs include performance fees paid if certain performance levels are achieved (over and above any levels set out in the investment objective) within a set time period.

Past performance is not indicative of future results. Returns may increase or decrease. The value of an investment and any income derived from it can go down as well as up and you may not get back the original amount invested.

Q1 What is the account that you administer for me?

The account we administer for you holds the units or shares of one or more funds. We notify you of the funds contained in your account periodically. The funds in your account invest in assets (e.g. stocks and shares) and the funds collect any income that arises from those assets held by the fund. A fund is a type of financial instrument.

Periodically the funds then distribute the income they have received to the investors in those funds. The amount of the income that you receive depends on the amount of income the fund is paying and the number of units or shares you held in those funds.

The value of the units or shares held in the account reflects the value of the funds' underlying assets (e.g. stocks and shares). The value of these stocks and shares can go down as well as up and therefore so will the value of units or shares held in the fund.

Some of the accounts that we administer are Individual Savings Accounts (ISA). An ISA is an account type that is administered according to a set of rules determined by HMRC. If the account is administered in accordance with these rules it will qualify for a favourable tax status. The favourable tax status available to an ISA account means that any investment income received to the account is tax free and the proceeds of the account are free from capital gains tax.

If the account is not an ISA it will not qualify for the favourable tax status and any investment income will be subject to income tax and any investment gain subject to capital gains tax. The extent of your liability to tax depends on your personal circumstances (particularly the level of other income and other capital gains in the relevant tax year). We do not deduct tax from your account.

Q2 Who applies the costs and charges shown? I do not recognise the costs and charges that are shown the statement.

The costs and charges shown are not necessarily deducted directly by us as the provider of the account but can also be applied by the provider of the financial instrument (fund). We, as the provider of the account to you, have combined the costs and charges applied by us to the account together with the costs and charges applied to the financial instruments and any charges made in respect of transactions in the financial instruments into one statement to allow you see the overall effect.

Irrespective of who deducts the costs and charges, these are shown on the statement both as a cash amount and as a percentage of the average account balance in the reporting period. However, the cash amount of the costs and charges shown is commonly based on either the transaction value, the value of the account at a point in time, or the value of the financial instrument in the account. Accordingly whilst the cash amount of the charge shown is correct the percentage value shown is only indicative of the impact of that charge on the account and does not indicate how the cash amount was determined.

The effect of the charge is shown as the percentage difference between the net return that you received after the deduction of costs and charges and the gross return. The gross return is an estimated figure that we have calculated to show the return that could have been achieved had the costs and charges shown not been applied.

Q3 Can I request a costs and charges statement for a different period?

No, however we can provide you with a copy of the annual costs and charges statement on request.

