

Our Fees and Charges

Fees and Charges – An Introduction

There are a number of costs involved in running a portfolio and it is important to take them into account when looking at the returns that need to be generated to make sure your clients receive their desired outcomes. This document looks at the impact of fees and charges on the returns of a portfolio over time. It is not marketing material. This information is required by law and you are advised to read it so you can help your clients to make an informed decision about whether to invest.

EX-ANTE FEES AND CHARGES

This document looks at the impact of costs and charges on expected portfolio returns, specifically:

- 1) Fees and charges on inception of the portfolio
- 2) Fees and charges on an ongoing annual basis
- 3) Fees and charges on cessation of portfolio management

EX-POST FEES AND CHARGES

On an annual basis, we will show your clients the impact of all fees and charges on their portfolio during the year. They will also receive quarterly valuations which will show all the relevant fees and charges for that particular reporting period.

All portfolio returns will continue to be shown after fees and charges.

Our Fees and Charges

We offer two basic fee models for clients of financial advisers. Clients should discuss the models with you and decide on the most appropriate, given their individual circumstances. The below fees are for bespoke portfolios. Annual Management Fees are subject to VAT if applicable, whereas no VAT is charged on dealing fees.

SERVICE FEES

Annual Management Fee

Investment Amount	All-In Fee	Standard Fee
First £1m	0.85%	0.65%
Next £1m	0.55%	0.45%
Thereafter	0.45%	0.35%

Dealing Fees

Transaction Size	All-In Fee	Standard Fee
First £10,000	-	1.00%
Thereafter	-	0.50%
Minimum charge	-	£25

Other Charges (Same for All-In Fee and Standard Fee Models)

Payment Administration Charge	We reserve the right to charge for cash transactions requested by the client. This fee will cover administration and transfer costs (please also see Third Party Charges).	BACS payments Greater than £20: no charge Less than £20: £5 CHAPS and international payments: £20
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Exit Charges (all accounts, excluding ISA accounts)	Account closed and full proceeds taken as cash				No charge	
	Transfer to another manager or re-registration into your client's own name				£20 per stock re-registration	
Exit Charges (ISA accounts)	Account closed and full proceeds taken as cash				No charge	
	Transfer of ISA wrapper to another ISA provider (regardless of whether assets are cash or stock)				£25, plus £5 stock re-registration	
Overseas Securities	Local charges may be levied in addition to our standard dealing fees. Details available on request.					
Probate Valuation	0 – 5 holdings	6 – 10 holdings	11 – 20 holdings	21 – 30 holdings	Each additional 10 holdings or part thereafter	
	£75	£100	£150	£200	£50	
	Overseas stocks: Additional charge per holding, inclusive of VAT				£15 per stock	
	Full validation & valuation service if needed, inclusive of VAT				£5 per stock	
Stamp Duty	Government tax payable on all UK share purchases at prevailing rate. In addition, we are obliged to levy a charge ('PTM Levy') on purchase or sale transactions worth £10,000 and over. This sum goes towards funding the Panel on Takeovers and Mergers.				Stamp Duty	0.5%
					PTM Levy	£1
Statements & Valuations	Quarterly statement & valuation issued as at 05 January, 05 April, 05 July and 05 October				No charge	
	Additional statements & valuations (hard copy & email)				First four: No charge Subsequent statements, inclusive of VAT: £20	
	Online statements				No charge	
Third Party Charges	We reserve the right to pass on any third-party charges levied in respect of the Client's assets held.					

<p>Validation & Valuation 'Transfer-In' Fee</p>	<p>Where the client is transferring a large number of holdings which need a full validation and valuation service, we reserve the right to charge a 'transfer-in' fee, which will be agreed with the client at the outset, and inclusive of VAT.</p>	<p>Fee by arrangement</p>
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INSTRUMENT FEES

Instrument fees are those fees that are embedded within the securities or funds held in a client's portfolio. It is our job as investment manager to select securities and funds that generate returns that meet the portfolio mandate. Returns are driven by our asset allocation strategy; we want the security that we purchase to first and foremost do the job from a return perspective with a management team we know and trust.

In terms of the Total Expense Ratio ('TER') of the underlying funds and securities that we hold in a portfolio, we have looked at portfolios over a period of time and believe that 0.80% is a reasonable cost assumption. This cost does not get taken from the client's portfolio and will not show in their cash account, nor is it the same as the portfolio management fees.

Fee Examples

Below we lay out how charges might look within a client's portfolio. While we do not recommend a holding period for a portfolio, the below information is based on a one-year period and assumes no portfolio growth for subsequent years. All examples exclude any adviser charges and indicate fees and charges of both of our fee scales.

Where possible, we have used actually incurred costs as a proxy for the expected costs and charges. Where actual costs are not available, we have made reasonable estimations of these costs. Charges may vary from year to year. The total charges deducted for each fund will have an impact on the investment return that clients might get.

While performance cannot be guaranteed, we can give examples of how the charges will affect the value of your clients' portfolios and the illustration below shows you the effect charges have when comparing the return before and after fees.

Note: All figures are expressed in a % of the total portfolio value. We have excluded the PTM levy from the examples due to its immateriality (£1 per trade above £10,000).

1. FEES AND CHARGES ON INCEPTION OF THE PORTFOLIO

For these examples, we have assumed your client invests £500,000 on day one with cash. We will then establish the portfolio by buying 20 holdings of £25,000 each (18 OEIC Funds and 2 Investment Trusts). This example assumes there are no securities or holdings transferred in and that there are no Capital Gains constraints on the portfolio.

	All-In Fee	Standard Fee
PORTFOLIO SERVICE FEES		
Charges incurred at the inception of the portfolio service (set up fees)	£0 (0.00%)	£0 (0.00%)
TOTAL COST	£0 (0.00%)	£0 (0.00%)
PORTFOLIO TRANSACTION FEES		
Dealing fees (20 securities of £25,000)	£0 (0.00%)	£3,500 (0.70%)
Stamp Duty (2 securities at 0.50%)	£250 (0.05%)	£250 (0.05%)
TOTAL COST	£250 (0.05%)	£3,750 (0.75%)
TOTAL COST OF PORTFOLIO SET UP FEES	£250 (0.05%)	£3,750 (0.75%)

2. FEES AND CHARGES ON AN ONGOING ANNUAL BASIS FOR THE PORTFOLIO

We have assumed that the portfolio is still valued at £500,000 and there is a 20% turnover of the portfolio each year, meaning four securities of the same value bought and sold each year (eight transactions in total of £25,000 per security) of which one is an investment trust and will incur stamp duty on the purchase only.

The examples presented make a number of assumptions and actual portfolio costs and charges may differ depending on the initial set up of the portfolio, the wrappers used, the underlying assets bought, dealing volume and the value of the portfolio.

Service Fees (deducted from the portfolio)

	All-In Fee	Standard Fee
PORTFOLIO SERVICE FEES		
Annual Management Fee	£4,250 (0.85%)	£3,250 (0.65%)
VAT at 20% on Annual Management Fee	£850 (0.17%)	£650 (0.13%)
TOTAL COST	£5,100 (1.02%)	£3,900 (0.78%)
PORTFOLIO TRANSACTION FEES		
Dealing fees (8 securities of £25,000)	£0 (0.00%)	£1,400 (0.28%)
Stamp Duty (1 security purchase at 0.50%)	£125 (0.025%)	£125 (0.025%)
TOTAL COST	£125 (0.025%)	£1,525 (0.305%)
TOTAL ANNUAL COST OF PORTFOLIO	£5,225 (1.045%)	£5,425 (1.085%)

Instrument Fees (NOT deducted from the portfolio)

	All-In Fee	Standard Fee
INSTRUMENT FEES		
Average TER of Underlying Funds at 0.80%	£4,000 (0.80%)	£4,000 (0.80%)

Total Fees and Charges for Ongoing Annual Portfolio Management

	All-In Fee	Standard Fee
TOTAL ANNUAL COST OF PORTFOLIO – SERVICE FEES		
Portfolio and Transaction Service Fees	£5,225 (1.045%)	£5,425 (1.085%)
TOTAL ANNUAL COST OF PORTFOLIO – INSTRUMENT FEES		
Embedded Costs of Underlying Funds	£4,000 (0.80%)	£4,000 (0.80%)
TOTAL ANNUAL COST OF PORTFOLIO		
	£9,225 (1.845%)	£9,425 (1.885%)

The Cumulative Effect of Costs on Return

Using the above example and assuming 7% performance each year before fees, we can see the cumulative effect of charges on a portfolio. It has been assumed that all management fees and dealing charges occur at the year end and that there are no further cash injections or withdrawals.

All-In Fee (Annual Management Fee with no Dealing Fees)

In this example, the portfolio would be worth £578,950 after 3 years (growth of 15.79%) while the combined costs of the service and instrument charges total £31,360 (6.272% of the initial portfolio value).

	Inception		End of Year 1		End of Year 2		End of Year 3	
	Amount	Percentage Return (%)	Amount	Percentage Return (%)	Amount	Percentage Return (%)	Amount	Percentage Return (%)
Portfolio Value	£500,000	N/A	£534,733	7.00%	£561,607	7.00%	£589,833	7.00%
Charges	£250	0.050%	£9,866	1.845%	£10,362	1.845%	£10,882	1.845%
Portfolio Value after Costs (% of initial)	£499,750	-0.050%	£524,867	4.973%	£551,246	10.249%	£578,950	15.790%
Cumulative Costs (% of initial)	£250	0.050%	£10,116	2.023%	£20,477	4.095%	£31,360	6.272%

Standard Fee (Annual Management Fee plus Dealing Fees)

In this example, the portfolio would be worth £574,337 after 3 years (growth of 14.867%) while the combined costs of the service and product charges total £35,161 (7.032% of the initial portfolio value).

	Inception		End of Year 1		End of Year 2		End of Year 3	
	Amount	Percentage Return (%)	Amount	Percentage Return (%)	Amount	Percentage Return (%)	Amount	Percentage Return (%)
Portfolio Value	£500,000	N/A	£530,988	7.00%	£557,473	7.00%	£585,302	7.00%
Charges	£3,750	0.750%	£9,984	1.880%	£10,462	1.877%	£10,965	1.873%
Portfolio Value after Costs (% of initial)	£496,250	-0.750%	£521,003	4.201%	£547,011	9.402%	£574,337	14.867%
Cumulative Costs (% of initial)	£3,750	0.750%	£13,734	2.747%	£24,197	4.839%	£35,161	7.032%

3. FEES AND CHARGES ON CESSATION OF PORTFOLIO MANAGEMENT

If your client decides to move their portfolio elsewhere or encash the portfolio, charges may be applicable as outlined in the **Other Charges** section. Annual Management fees are incurred up until the date the portfolio is closed. On leaving our service, your client will receive a closing statement detailing the costs of closing the account together with all fees incurred since the last quarterly reporting date. We have shown two examples assuming the portfolio is worth £500,000 (20 holdings of £25,000 of which 2 are Investment Trusts) and is closed at the end of the quarter reporting period.

- 1) **Stock Transfer** - Portfolio is moved in specie i.e. all holdings are transferred to another platform or provider
- 2) **Cash Transfer** - Portfolio is liquidated and the cash proceeds are transferred to your client's bank account or another provider

Stock Transfer

	All-In Fee	Standard Fee
PORTFOLIO SERVICE FEES		
In specie transfer of 20 holdings (£20 per holding)	£400 (0.08%)	£400 (0.08%)
TOTAL COST	£400 (0.08%)	£400 (0.08%)

Cash Transfer

	All-In Fee	Standard Fee
PORTFOLIO TRANSACTION FEES		
Dealing Fees (20 securities of £25,000)	£0 (0.00%)	£3,500 (0.70%)
TOTAL COST	£0 (0.00%)	£3,500 (0.70%)

All figures are expressed in a % of the total portfolio value. Additional costs are shown in Other Charges for ISA transfers.

Explanation of Charges

All clients receive a table of costs and charges prior to commencing a discretionary management relationship with us.

There are a number of fees and charges that may be incurred when running a portfolio. These can be split into different types of fees, some of which are applicable to a portfolio with us and some of which are not.

SERVICE FEES

These are the fees that are deducted from a portfolio over the management period and which will appear as a separate line item on quarterly valuation reports. To enable us to meet these fee obligations and other portfolio requirements, a certain amount of a portfolio will, at all times, be held in cash.

Fee Type and Description	Applicable to All-in Fee Model	Applicable to Standard Fee Model
PORTFOLIO SERVICE FEES: ONE-OFF FEES AND CHARGES		
Charges incurred at the inception (set up fees) or cessation (exit fees) of the portfolio services	No	No
PORTFOLIO SERVICE FEES: ONGOING FEES AND CHARGES		
Annual Management Fee (deducted on a quarterly basis)	Yes	Yes

VAT on Annual Management Fee (deducted on a quarterly basis)	Yes	Yes
PORTFOLIO SERVICE FEES: INCIDENTAL COSTS		
Performance fees levied on the portfolio for out-performance against a benchmark	No	No
PORTFOLIO SERVICE FEES: ANCILLARY SERVICES (ANY COST NOT INCLUDED ABOVE WHICH MAY BE APPLIED TO A PORTFOLIO):		
Adviser charges (if an adviser is charging fees as a % of the portfolio)	Yes	Yes
Onshore platform and custody fees	No	No
Offshore custody charges (excluding offshore bonds)	No	Yes
PORTFOLIO TRANSACTION FEES		
Dealing fees	No	Yes
Stamp Duty (on investment trust and equity purchase)	Yes	Yes
PORTFOLIO EXIT CHARGES		
Annual Management Fee up to point of account closure	Yes	Yes
Stock transfers	Yes	Yes
ISA transfers	Yes	Yes

One-Off Charges

- **Initial fees** – We do not charge initial fees on investments. Please note that some advisers may charge an initial fee on their advice and ask us, with the client’s agreement, to pass this charge on through the initial investment. These fees will always be identified under adviser charges.
- **Exit charges** – We charge fees on stock and ISA transfers to another provider.

Ongoing Charges

- Annual Management Fee ('AMC')** - The fee that we charge to manage the portfolio. This will also include VAT at 20%. The fee is automatically deducted quarterly in arrears from the portfolio. This fee is based on the last quarterly valuation (recorded on the 5th of January, April, July and October each year).

The example below assumes an AMC of 0.65%.

Fee Period	Value Date	Portfolio Value	Number of Days	Quarterly Management Fee	VAT at 20%	Total Quarterly Management Fee	Charge Date
April to July	05-Jul	£500,000	91	£810.27	£162.05	£972.33	06-Jul
July to October	05-Oct	£500,000	92	£819.18	£163.84	£983.01	06-Oct
October to January	05-Jan	£500,000	92	£819.18	£163.84	£983.01	06-Jan
January to April	05-Apr	£500,000	90	£801.37	£160.27	£961.64	06-Apr
TOTAL COST				£3,250	£650	£3,900	

Incidental Costs

- Performance fee** - We do not charge a performance fee.

Ancillary Services

- Adviser charges** - These are agreed at the outset between a financial adviser and their client and will typically be deducted from the portfolio in line with management fees and paid to the adviser.
- Onshore platform and custody charges** – If assets are held on a platform or with a firm's Nominee, there may be an annual charge. We do not charge any platform for custody fees.

- **Offshore custody charges** - These are charges passed on from our off-shore custodian for holding any foreign investments.

There may be other third-party charges passed on to clients as they may arise, and these will be detailed in the fees and charges schedule and detailed to clients in the quarterly valuations.

Transaction Fees

In general, each time a security in the portfolio is bought or sold, a charge is made for dealing fees.

- **Dealing fees** - paid for executing the buying or selling of the investment. If a broker is party to the transaction, a portion of the dealing fees will be paid to them.
- **Stamp Duty or other associated tax**

Risk Warnings

The information contained in this document is provided for professional investors and advisers for information purposes only and should not be communicated to any other person.

The value of investments can fall and investors may not get back the amount invested. Past performance is not a guide to future performance.

This notice cannot disclose all the risks associated with investments and investment services. Please see our website for more information and more detailed risk warnings.

The information within this document does not consider the specific investment needs or financial situation of any person. It is not a personal recommendation and should not be regarded as a solicitation or invitation to buy or sell any securities or instruments mentioned within it.

Changes in exchange rates can have a negative effect on the value, price or income of foreign currency denominated securities. Estimated returns are not a reliable indicator of future returns.

While we believe the information within the document to be correct, we cannot assume liability for any errors or omissions, except insofar as liability under any law cannot be excluded.