



Cost & Fees Template and Guide

If an investor is unclear of the costs and charges that apply to an investment, we suggest printing and sending this Template to the fund manager / adviser / platform to complete.

Investment Heading	Explanation/Guidance	Amount
Investment Return Before Costs	% Assumed Investment Return Before All Costs <i>Guide: 5% pa is the central rate used by the FCA for calculating the future value of pension pots</i>	% pa
	Fund Manager Costs	
Annual Fund Charges % pa	The annual cost of your fund including the extra costs if the fund is itself investing in other funds and any custody/ administration costs. Many funds publish their annual management charge together with various custody and administration costs as an 'ongoing charge' or 'TER' <i>Guide: Often 0.75%-1.5% pa for 'active' funds, 0.1%-0.5% for 'index' funds and 2.5% pa for 'fund of funds'</i>	% pa
Estimated amount of fund changed each year (PTR) %	The Percentage of the fund that changes each year, within a fund. The PTR for any year is the total amount of purchases and sales transacted by a fund during a 12 month period divided by the average assets within the fund during this time. We recommend using an average PTR for the last 3 years <i>Guide: Often c.61% of an 'active' fund changes every year, 15% pa or less for 'index' funds</i>	% pa
Estimated Cost of Buying and Selling the underlying investments %	Estimated Cost of Buying and Selling the underlying investments%. This should include the associated taxes (e.g. the 0.5% Stamp Duty on share purchases in the UK), the associated broker's commissions being charged and the difference between their buying and selling prices (the 'spread') in the various securities being traded <i>Guide: Cost of buying & selling a UK blue-chip share including stamp duty, broker commissions and buy/sell spreads is 1%. It is normally higher for Smaller UK companies</i>	%
Performance Fee (Headline Rate)%	This is the percentage of the investment return charged as a performance fee <i>Guide: 15 to 20% of the annual gains are common</i>	%
Performance Fee Hurdle %	The amount a fund needs to grow above annually before the performance fee is applied <i>Guide: Often set at cash i.e. 0.5% pa</i>	%
Securities Lending Income/ Other Recurring Income % pa	The additional revenue that is brought into the fund due to securities lending or other recurring income <i>Guide: Some Index funds earn 0.1 to 0.3% per annum from such activities</i>	% pa

Investment Heading	Explanation/Guidance	Amount
	Platform/Stockbroker Charges	
Platform/Stockbroker Initial Charges - in £	The amount that is charged by your investment platform or stock broker from your initial investment if it is a fixed fee <i>Guide: Many low cost brokers charge £10 to £15 to buy or sell, so the overall cost of buying and selling would be £20 to £30</i>	£
Platform/Stockbroker Initial Charges - as a % investment	The amount that is charged by your investment platform or broker from your initial investment if it is a percentage fee. <i>Guide: When buying an investment trust there is normally a 0.5% stamp duty payable</i>	%
Platform/Stockbroker Annual Charges - in £	The amount that is charged by your platform or stockbroker annually if it is a fixed £ fee	£ pa
Platform/Stockbroker Annual Charges - as a % investment	The amount that is charged by your platform or stockbroker every year if it is a fixed percentage fee	% pa
	Product/Wrapper Charges	
Product/Wrapper Initial Charges - in £	The total amount deducted by the product or wrapper up front, in £	£
Product/Wrapper Initial Charges - as a % investment	The total amount deducted by the product or wrapper up front, as a percentage of your investment	%
Product/Wrapper Annual Charges - in £	The total amount deducted by the product or wrapper annually, in £	£ pa
Product/Wrapper Annual Charges - as a % investment	The total amount deducted by the product or wrapper annually, as a percentage of your investment	% pa
	Adviser Charges	
Adviser Initial Hours	Adviser - No. Hours Charged Up Front	#
Adviser Initial £	Adviser - Up Front Fixed Charge in £	£
Adviser Initial %	Adviser - Up Front Fixed Charge as % investment <i>Guide: It is common for advisers to charge between a 1% and 3% initial fee</i>	%
Adviser - Number of Hours Charged Annually	The total number of hours your adviser is charging you annually	#
Adviser Hourly Charge Rate £	The hourly rate charged by your adviser	£
Adviser - Annual Fixed Charge in £	The amount that your adviser is charging as an annual fee in £	£ pa
Adviser - Annual Fixed Charge %	The amount that is charged by your adviser if charging an annual % fee or retainer normally expressed as a percentage of your investment <i>Guide: It is common to charge between 0.5% and 1% per annum</i>	% pa
Total Cost of Investment (TCI)		