



MAKING THE COST OF INVESTMENT CLEAR

This document explains the roles of each of the parties involved in your investment and how their charges or fees are calculated and taken.

For specific details of how much your own charges will be, and their effect on your investment, please refer to your personalised **Key Features Illustration**. For **ISAs, Junior ISAs, Collective Investment Accounts** and **Collective Investment Bonds**, this also includes a detailed **Costs and Charges statement**. For details of fund and other asset charges, you should also refer to the **Asset Lists for Charge Basis 3**.

WHO IS INVOLVED AND WHAT DO THEY DO?

There are three main parties involved, in addition to you as the investor:



YOUR FINANCIAL ADVISER – Depending on your financial needs and attitude to risk, they will agree with you the services you require. Working closely with you, they can recommend solutions to help you reach your financial goals.

DISCRETIONARY INVESTMENT MANAGERS – Depending upon your situation, your financial adviser may recommend the services of a discretionary investment manager who will monitor and manage the assets you hold in your account.



OLD MUTUAL WEALTH – Our role involves setting up and administering your investment. This includes giving you access to a single, web-based location where you and your financial adviser can build, manage and monitor your investments. We provide online access to a wide choice of assets and a range of tax-efficient ways to invest.



ASSET MANAGERS – The managers of the assets in your account or bond are responsible for creating and managing them; researching, selecting and buying the investments that make up the asset; and additional administrative duties such as appointing trustees and auditors.



OLD MUTUAL
WEALTH

HOW THE CHARGES ARE CALCULATED AND TAKEN



YOUR FINANCIAL ADVISER'S FEES

It is for you and your financial adviser to agree the amount and frequency of any charges for their services.

You can either pay these fees directly to your adviser, or at your request we can pay the following types of fee for you by taking the money from your investment.

ADVISER ONGOING SERVICING FEE – this is for ongoing monitoring and management of your investments. It can be paid based on a percentage of your accounts value, or a monetary amount, depending upon what you agree with your adviser. Payment can be on a monthly/quarterly/half yearly or annual basis, chosen by you.

ADVISER INITIAL REGULAR FEE – this fee is for advice given in respect of a regular investment. The overall fee is deducted in instalments over a set period of time.

Adviser fee arrangements can be cancelled by informing Old Mutual Wealth, however it is not possible to cancel fees that have already been taken from your investment. We always recommend speaking to your financial adviser before cancelling any adviser fees.

If you choose to use the services of a discretionary investment manager, they are likely to charge the following fee for providing their service.

DISCRETIONARY MANAGEMENT PORTFOLIO FEE

This fee will be taken from your investments and paid directly to the discretionary investment manager on a regular basis, which could be monthly, quarterly, half yearly or yearly.

VAT may also be payable on the fee. Your adviser will be able to give you more information on whether this applies to your investments.

ADVISER INITIAL FEE – this will be deducted from a lump sum or cash transfer payment, before the balance is invested into your choice of assets.

ADVISER AD HOC FEES – we can also pay ad hoc (one-off) fees you agree with your adviser for other reasons, related to advice provided to you.



See what you are paying your adviser in your illustration.

Your personalised [Key Features Illustration](#) will include details of any fees we are paying your adviser or discretionary investment manager*, together with the potential effect of these and all other investment costs on its future value.

Costs and Charge Statement.

If you are investing in an ISA, Junior ISA, Collective Investment Account or Collective Investment Bond, a breakdown of the first and future years' [fees and charges](#), is included in the [Costs and Charges Statement](#) provided with your Key Features Illustration. We will also send you a Costs and Charges Statement every year showing the actual costs involved over the previous 12 months.

* Your Key Features Illustration will not show any payments you choose to make direct to your financial adviser.



OLD MUTUAL WEALTH CHARGES

This table shows the charges you pay to us for your investment(s):

WHAT IS THE CHARGE CALLED?	WHICH INVESTMENTS DOES IT APPLY TO?	WHAT'S THE CHARGE FOR?
Service Charge	Individual Savings Account (ISA), Junior ISA (JISA) and Collective Investment Account (CIA).	The Service Charge is for providing and servicing your account and giving you direct access to invest in a range of assets.
Product Charge	Collective Retirement Account (CRA) and Collective Investment Bond (CIB).	The Product Charge is for providing and administering your bond or pension product, through which you can invest in a range of assets.
Dealing Charge	Buying and selling exchange traded funds, exchange traded commodities or investment trusts within an ISA, JISA, CIA or CRA.	Trading an exchange traded fund (ETF), exchange traded commodity (ETC) or an investment trust requires a stockbroker. Old Mutual Wealth uses the stockbroking services of Winterflood Securities Ltd. and the dealing charge is used to cover the cost of their service.

HOW OLD MUTUAL WEALTH CHARGES ARE CALCULATED

A Service or Product Charge is taken separately from each investment you hold. These charges work like tax bands, and are calculated based on how much you have invested:

Total amount invested	Service or Product charge each year
First £25,000	0.50%
From £25,000 to £250,000	0.30%
From £250,000 to £750,000	0.25%
More than £750,000	0.15%

For example, if you have £125,000 invested in an ISA, your Service Charge would be calculated like this:

- the first £25,000 is charged at 0.50% and
 - the next £100,000 is charged at 0.30%
- creating an overall charge of 0.34%.**

This means that the Service Charge that we would apply to your ISA would be:

- $(0.34\% \times £125,000)$ or £425.00 a year.

Combining investments can reduce your overall charge rate

You can benefit from having more than one investment with us because we look at the combined value of all of your investments in determining the charge rate you pay, and then apply that rate to each of your investments.

The above example is based on annualised figures. In practice the charge amount is calculated daily based on the value of your investments and taken in twelve monthly instalments. You will see these charges on your quarterly statement.

Family Linking

From April 2020, you can also request 'Family Linking' which will also take into account the combined value of the investments you and eligible members of your family hold directly (or in some cases indirectly) with Old Mutual Wealth at the time the charge is made. Your financial adviser will be able to help you with this. From February 2020, children with investments in the Junior ISA will automatically have their accounts linked to the parent/guardian detailed on their account.

DEALING CHARGE – ONLY APPLICABLE TO EXCHANGE TRADED FUNDS (ETFs), EXCHANGE TRADED COMMODITIES (ETCs) AND INVESTMENT TRUSTS

When buying or selling an ETF, ETC or investment trust, the trade is made in a marketplace called an exchange, much like a share. Trading on an exchange requires a stockbroker who charges a fee for placing the deal. Old Mutual Wealth has partnered with reputable stockbroking firm Winterflood Securities Ltd for trading in these assets.

The amount of the dealing charge will depend on the trade itself and how it is instructed:

Your financial adviser may recommend that you invest into a portfolio of assets, which they may choose to administer through a 'model portfolio' which can be an efficient way to monitor and manage your investments. If you are trading ETFs, ETCs or investment trusts via a model portfolio, the dealing charge is £1 per asset being bought or sold.

Outside of a model portfolio:

- Trades less than £10,000 = £3.50 per trade
- Trades from £10,000 = 0.035% The maximum charge per trade will be £15.

When an asset is traded in a model portfolio, they are traded on behalf of all investors linked to the model portfolio, as a single trade. We are therefore able to charge a lower dealing charge for trades occurring inside a model portfolio. Your financial adviser will be able to give you more information on how and whether dealing charges affect you.

STAMP DUTY – You should also be aware that when you buy investment trusts, HM Revenue & Customs (HMRC) charges stamp duty of 0.5%.

'PTM LEVY' – £1 applies to each investment trust trade valued over £10k. This is a charge that applies to transactions made on UK exchanges and is used to fund the Panel on Takeovers and Mergers, a regulatory body that ensures oversees takeover bids on behalf of investors.

CHARGES APPLICABLE ONLY TO THE COLLECTIVE INVESTMENT BOND

LIFE FUND TAX CHARGE – As the bond provider, we are taxed by HMRC on taxable income and gains arising from the investments we make on your behalf. We make charges to your bond based on the estimated tax liability to us. The taxation charge is additional to the Old Mutual Wealth charges described above. For more information please see your [Terms and Conditions for the Collective Investment Bond](#).

CAPITAL PROTECTED DEATH BENEFIT CHARGE – If you apply and are accepted for this option, we will make a charge based on the difference between the value of the death benefit and 101% of the value of the bond. If the death benefit value is greater than 101% of the value of the bond then this charge is calculated daily and deducted monthly by cashing in units. For more information please see your [Terms and Conditions for the Collective Investment Bond](#).



See what you are paying Old Mutual Wealth in your illustration.

Details of your Old Mutual Wealth charges are shown in your personalised [Key Features Illustration](#) together with the potential effect of these and all other investment costs on the future value of your account or bond.



FUND CHARGES

You don't pay fund manager charges as separate monetary amounts. Instead fund managers take their charges daily from the overall value of their funds and this is reflected in the changing daily fund prices.

The charges taken from the overall value of the funds include:

- one-off costs, such as the charge some funds make when you buy or sell them
- ongoing costs – these are the fund manager's administrative costs, such as the annual management charge (AMC) and other expenses.
- transactional costs, such as those incurred by managers when they buy and sell the underlying investments in their funds
- incidental costs, such as performance fees, if applicable.

The annual management charge plus some other expenses are referred to in the [Assets Lists](#) as the TER (Total Expense Ratio) or OCF (Ongoing Charge Figure). Where a TER is disclosed this includes the asset's AMC plus any additional costs including performance related fees that the asset manager may charge. The OCF will include these additional costs except for performance fees. Both figures give an indication of the ongoing cost of a fund.

FUND MANAGER REBATES

The rebate is the percentage of the fund charges paid back to us each year by the fund manager.

We pass all rebates on to you in the form of additional fund units, except where the amount received is minimal (i.e. less than £1) in which case it will remain as cash within your account. The rebate therefore effectively discounts on the fund manager's charges.

Different share classes of the same fund may have different rebates and Annual Management Charges (AMC).

'Bundled' share class funds are those that have a full Annual Management Charge (AMC) with typically a larger rebate.

'Unbundled' share class funds typically have a lower AMC and a smaller rebate, or no rebate at all.

FUND NAME	PROPORTION INVESTED	FUND MANAGER CHARGE BEFORE REBATE (TOTAL EXPENSE RATIO: TER)	REBATE PAID TO YOU AS ADDITIONAL FUND UNITS	EFFECTIVE ANNUAL FUND MANAGER CHARGE AFTER REBATES
Fund A	25%	1.60%	0.75%	0.85%
Fund A - Unbundled	25%	0.85%	0.00%	0.85%
Fund B	25%	1.65%	0.83%	0.82%
Fund B - Unbundled	25%	0.90%	0.08%	0.82%

Please note that rebates on funds held in Collective Investment Accounts are taxed as income by HM Revenue & Customs.

ETF, ETC & INVESTMENT TRUST CHARGES

ETFs, ETCs and investment trusts have an annual management charge (AMC), however they do not pay a rebate. All are 'dual priced' meaning that there is usually a difference between the price you pay to buy the asset and the price you receive when selling.

An investment trust has a fixed number of shares. Therefore, if there are a lot of people wishing to sell a particular investment trust but not many buyers, the selling price they receive is likely to fall. The difference between this price and the net value of the assets owned by the trust is known as the 'discount'. The size of the discount can be an advantage or disadvantage depending upon whether you are buying or selling the asset.

Your adviser will be able to discuss with you in more detail whether these charges affect you.



See what you are paying for your assets in your illustration.

Details of the asset charges and rebates that apply to the assets you have chosen are shown in your personalised [Key Features Illustration](#), together with the potential effect of these and all other investment costs on the future value of your account or bond.

For details of TERs/OCFs, annual management charges, and the rebates for all funds available for you to invest in, please refer to our Fund Centre at www.oldmutualwealth.co.uk/funds/fund-information, or our Asset Lists.

Your investment may fall or rise in value and you may not get back what you put in.

www.oldmutualwealth.co.uk

Please be aware that calls and electronic communications may be recorded for monitoring, regulatory and training purposes and records are available for at least five years.

Old Mutual Wealth is the trading name of Old Mutual Wealth Limited which provides an Individual Savings Account (ISA), Junior ISA (JISA) and Collective Investment Account (CIA) and Old Mutual Wealth Life & Pensions Limited which provides a Collective Retirement Account (CRA) and Collective Investment Bond (CIB).

Old Mutual Wealth Limited and Old Mutual Wealth Life & Pensions Limited are registered in England and Wales under numbers 1680071 and 4163431 respectively. Registered Office at Old Mutual House, Portland Terrace, Southampton SO14 7EJ, United Kingdom. Old Mutual Wealth Limited is authorised and regulated by the Financial Conduct Authority. Old Mutual Wealth Life & Pensions Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Their Financial Services register numbers are 165359 and 207977 respectively. VAT number 386 1301 59.